Cabral Resources Limited (ABN 72 064 874 620)
And its Controlled Entities
Annual Financial Report
30 June 2015

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CORPORATE DIRECTORY

Directors:	Ariel (Eddie) King (Non-Executive Chairman) Steven Formica (Non-Executive Director) Gregory D'Arcy (Non-Executive Director)
Company Secretary:	Mr Stephen Brockhurst
Registered Office and Principal place of Business:	Level 11 216 St Georges Terrace PERTH WA 6000 Telephone: +61 8 9481 0389 Facsimile: +61 8 9463 6103
Share Register:	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 *Postal Address* Locked Bag A14 Sydney South NSW 1235
Auditors:	Nexia Court & Co Level 16 1 Market Street Sydney NSW 2000
Securities Exchange Listing:	Cabral Resources Limited Australian Securities Exchange Limited (Code: "CBS")
Company Numbers:	ACN: 064 874 620 ABN: 72 064 874 620

DIRECTORS' REPORT

Your Directors present their report on the Cabral Group, consisting of Cabral Resources Limited ("the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2015.

DIRECTORS

The names of the Directors of the Company at any time during or since the end of the half year are:

- *Michael J. Bogue*
  Managing Director and Chief Executive Officer (resigned 3 August 2015)
- *James Li*
  Executive Director (resigned 22 April 2015)
- *Bruno Maia*
  Non-Executive Director (resigned 23 April 2015)
- *Ariel (Eddie) King*
  Non-Executive Chairman (appointed 23 April 2015)
- *Gregory D'Arcy*
  Non-Executive Director (appointed 23 April 2015)
- *Steven Formica*
  Non-Executive Director (appointed 4 August 2015)

PRINCIPAL ACTIVITIES

On 1 December 2014, Joseph Hayes and Barry Kogan were appointed as joint and several voluntary administrators (the "Administrators") of Cabral Resources Limited.

The principal activities of the Cabral Group prior to the appointment of the Administrators consisted of iron ore mineral exploration in Bahia State, Brazil and investment in the associate entity, CRMSC (Australia) Pty Limited, with joint venture partner China Railway Materials Commercial Corporation Group.

RESULTS

The loss after tax for the year ended 30 June 2015 was $7,594,765 (30 June 2014: $13,070,586).

REVIEW OF OPERATIONS

On 1 December 2014, the previous directors of the Company appointed Joseph Hayes and Barry Kogan of McGrathNicol as joint and several voluntary administrators of the Company (Administrators) under section 436A of the Corporations Act. The Company's securities were suspended from trading on ASX prior to that day.

Prior to the appointment of Administrators, the following activities were completed on the Company's Brazilian assets:

- Infill trenching at Madeira Seca Target has evidenced mineralisation continuity within and at the borders of the Mineral Resource estimated bodies;
- Small and shallow trenches digging within Boa Sorte Target has exposed the same style of surficial mineralisation in a contiguous tenement immediately south from Madeira Seca;

- Cabral is testing the responses of ground mag survey in opened access at Madeira Seca and Boa Sorte Targets in order to stablish magnetic patterns;
- All pits and trenches dug over the whole Cabral exploration work within Sincorá Area were buried and their pads and accesses were rehabilitated and revegetated as part of Cabra.

Shortly after their appointment, the Administrators commenced a sale process for the assets of the Company and its Australian subsidiary, Cabral Brazil Pty Limited (in Liquidation). This included the Company's interests in Brazilian iron ore tenements, specifically the Sincorá Area and the Brumado Complex.

On 14 January 2015, at the second meeting of creditors, convened by the Administrators in accordance with section 439A of the Corporations Act, it was resolved that the meeting be adjourned for a period of up to 45 business days to provide the Administrators with additional time to progress the sale campaign and to consider any recapitalisation proposals received by them.

On 5 March 2015, the Administrators executed a term sheet with CPS for a recapitalisation of the Company in accordance with the terms of the Recapitalisation Proposal. Amongst other matters, the Recapitalisation Proposal provided for payment of contributions totalling $450,000 (DOCA Amount) to be made to the Deed Administrators and ultimately paid to the Creditors' Trust for the benefit of Admitted Creditors. On the same day, CPS made a non-refundable payment of $15,000 to the Administrators in respect of the Recapitalisation Proposal.

On 19 March 2015, at the reconvened second meeting of creditors of the Company, creditors resolved that the Company enter into a DOCA with CPS to allow a recapitalisation of the Company in accordance with the terms of the Recapitalisation Proposal.

On 27 March 2015, CPS made a further non-refundable payment of $35,000 to the Administrators in respect of the Recapitalisation Proposal.

On 13 April 2015, a DOCA was executed by the Company, the Administrators and CPS and a Creditors' Trust Deed was executed by the Company and the Administrators to give effect to the Recapitalisation Proposal. At that time, the Administrators became the Deed Administrators under the DOCA.

On 23 June 2015, the Deed Administrators received a request from CPS for an extension of up to two months to meet the terms of the DOCA. The Deed Administrators granted the extension in consideration of receiving a further non-refundable payment of $40,000.

At the time of execution of the DOCA, CPS did not require the Company's assets to be retained by the listed entity. However, following consultation with the ASX and ASIC, as well as undertaking due diligence throughout the DOCA period, CPS formed a view that the retention of certain Company assets would add further value to the Company and its Shareholders and also facilitate the relisting of the Company on ASX, having maintained similar operations and assets held prior to the appointment of the Administrators. Having formed this view, CPS submitted a non-binding offer for the acquisition/retention of certain assets by the Company following the effectuation of the DOCA.

EARNINGS PER SHARE

	2015 (cents)	2014 (cents)
Basic and diluted earnings per share from continuing operations	(0.64)	(0.45)
Basic and diluted earnings per share from discontinued operations	(2.01)	(4.59)
Basic and diluted earnings per share	(2.65)	(5.04)

DIVIDENDS

The Directors do not recommend the payment of a dividend at this time and no dividend has been paid or declared during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE

On 10 July 2015, the Deed Administrators and CPS executed (and subsequently varied) a sale agreement which provided for the retention of equity interests in the Company's subsidiaries Northern Yeelirrie Pty Ltd and Cabral Metais Limitada (including an interest in the Brazilian iron ore tenements held by this entity and the corresponding liability to Cabral Minercao Ltda) by Cabral in return for a payment of $20,001 to the Deed Administrators and $20,000 to the Liquidators of Cabral Brazil.

Having regard to the additional time required to allow CPS to explore the purchase of certain Company assets, liaise with the ASX and ASIC and issue the Shareholder meeting documentation, the Deed Administrators granted two separate extensions of time under the DOCA and received two further non-refundable payments of $40,000 and $20,000 as a contribution to the overall DOCA Amount.

On 1 October 2015, Shareholders approved the Recapitalisation Proposal which included:

- Consolidation of the existing issued capital of the Company on a 1 for 100 basis
- The issue of up to 20,000,000 Shares at $0.00001 each to raise up to $200;
- The issue of up to 125,000,000 Shares at $0.02 each to raise up to $2,500,000 (underwritten by CPS to an amount of $1,000,000);
- The issue of up to 30,000,000 Unlisted Options at $0.00001 each to raise up to $300;
- The issue of up to 50,000,000 Listed options at $0.00001 each to raise up to $500, to various sophisticated and professional investors who are clients of CPS
- The appointment of Eddie King, Gregory D'Arcy and Steven Formica, all of whom are nominees of CPS, as Directors of the Company.

On 13 October 2015, the Administrators confirmed that all remaining funds required to be paid by CPS under the DOCA (totalling $340,000) were received and accordingly, the DOCA has been fully effectuated and control of Cabral was returned to its Directors. In addition, all funds required to be paid by CPS under the sale agreement (totalling $20,001 to Cabral and $20,000 to Cabral Brazil) have now been received. Accordingly, the asset sale was completed simultaneously today with the effectuation of the DOCA.

Concurrently with the effectuation of the DOCA, the Cabral Creditors' Trust was established (as provided for in the DOCA). Any assets not included in the sale agreement with CPS (i.e. all assets other than certain interests in Cabral Metais Limitada and Northern Yeelirrie Pty Ltd) have either been transferred to or are being held in trust for the Creditors' Trust.

On 15 October 2015 the Company completed a capital consolidation on a 100:1 basis following shareholder approval at the General Meeting held on 1 October 2015.

On 30 October 2015, the Company issued 28,300,000 fully paid ordinary shares to raise $510,028.

On 30 October 2015, the company issued 12,400,000 unlisted options exercisable at $0.02 on or before 30 October 2019 and 17,600,000 listed options exercisable at $0.04 on or before 30 October 2019 as approved by shareholders at a general meeting on 1 October 2015.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The previous directors placed Cabral Resources Limited and its wholly owned subsidiary Cabral Brazil Pty Ltd into voluntary administration on 1 December 2014. Cabral Brazil Pty Ltd wholly owns Cabral Mineracao Ltda. The operations of Cabral Brazil Pty Ltd and Cabral Mineracao Ltda have been deemed to have discontinued on 1 December 2014.

On 13 April 2015, a DOCA was executed by the Company, the Administrators and CPS and a Creditors' Trust Deed was executed by the Company and the Administrators to give effect to the Recapitalisation Proposal. At that time, the Administrators became the Deed Administrators under the DOCA.

On 13 October 2015, the Administrators confirmed the DOCA has been fully effectuated and control of Cabral was returned to its Directors. In addition, the asset sale was completed simultaneously with the effectuation of the DOCA. Concurrently with the effectuation of the DOCA, the Cabral Creditors' Trust was established (as provided for in the DOCA). Any assets not included in the sale agreement with CPS (i.e. all assets other than share interests in Cabral Metais Limitada and Northern Yeelirrie Pty Ltd) have either been transferred to or are being held in trust for the Creditors' Trust.

There have been no significant changes in the state of affairs of the Consolidated Entity since 30 June 2015 to the date of this report other than those mentioned above.

DIRECTORS' INTERESTS

Information on Directors

Director / experience	Special responsibilities	Particulars of Directors' interests at the date of this report: Ordinary shares	Options
Eddie King *(appointed 23 April 2015)* BComm, BEng (Mining - Hons) Mr. King is a qualified mining engineer and holds a Bachelor of Commerce and Bachelor of Engineering from The University of Western Australia. Mr. King is currently a representative for CPS Capital. Mr. King's past experience includes being manager for an investment banking firm, where he specialised in the technical and financial requirements of bulk commodity and other resource projects. Mr. King was born in the Philippines where he has an extensive network. *Other current directorships* Lindian Resources Limited *Former directorships in last 3 years* None	Non-Executive Chairman	2,000,000	15,000,000
Steve Formica *(appointed 4 August 2015)* Mr Formica is a successful businessman with over 30 years' experience. He has been involved in multiple successful business ventures either as a founding shareholder, operational Managing Director or as a Non-Executive Director. Steve is currently a director of both FPG Projects and Viridian Property Group, both successful property developers. *Other current directorships* Lindian Resources Limited *Former directorships in last 3 years* Enerji Limited	Non-Executive Director	Nil	Nil

Director / experience	Special responsibilities	Particulars of Directors' interests at the date of this report	
		Ordinary shares	**Options**
Gregory D'Arcy *(appointed 23 April 2015)* BComm, GradDipAppGeol Since 2008 Mr D'Arcy has been the Managing Director of Report Card Pty Ltd which owns and operates the Australian stock market forum known as HotCopper (hotcopper.com.au). As the sole director of this company he has been responsible for expanding the business, budgeting, making critical decisions, setting timelines and managing staff. Prior to this role he worked in commercial real estate in both Perth and Melbourne. *Other current directorships* None *Former directorships in last 3 years* None	Non-Executive Director	500,000	3,000,000
Michael J. Bogue *(resigned 3 August 2015)* B.Com Mr Bogue holds a Bachelor of Commerce degree and has a diverse and successful background in senior executive roles related to the global resources sector. Over the last 20 years he has undertaken numerous mergers and acquisitions, equity and debt capital market issuances and derivatives transactions across the global resource sector. Previous executive positions have included roles as Executive Director of APAC Resources Limited, a Hong Kong listed entity focused on the resources sector, within JPMorgan Chase & Co. as Co-Head of Mining & Metals for Asia Pacific and Australian Oil & Gas Investment Banking team, a senior Business Development & Finance role within Newcrest Mining Limited and as a principal and co-owner of a boutique investment and advisory firm specialising in the resources sector. *Other current directorships* Chairman of CRMSC (Australia) Pty Limited *Former directorships in last 3 years* None	Former Managing Director and Chief Executive Officer Former Member of Audit and Remuneration Committees	10,851,276*	Nil*

Director / experience	Special responsibilities	Particulars of Directors' interests at the date of this report: Ordinary shares	Options
Bruno Maia *(resigned 23 April 2015)* B.Law Bruno, a Brazilian citizen residing in Salvador, Bahia, Brazil, has over 10 years experience as both a successful legal practitioner and businessman in Bahia State. Bruno holds a Bachelor of Law from Universidade Católica de Salvador, a post graduate specializing in Labour Law and is currently a partner of Bahia State law firm Prates & Maia Advogados e Consultores Associados. In addition to his strong legal background, Bruno has a wealth of private business experience with successful interests in real estate, food and beverage and other industrial sectors. *Other current directorships* None. *Former directorships in the last 3 years* None	Former Non-Executive Director Former Member of Audit and Remuneration Committees	3,907,908*	Nil*
Jingzhong (James) Li *(resigned 23 April 2015)* Mr Li, a metallurgist by background and a current Executive Director of the Company and President of the joint venture associate company, CRMSC (Australia) Pty Limited, with China Railway Materials Commercial Corporation Group. Mr Li's former executive positions include as an Engineer for the Material Bureau of China Railway Ministry in Beijing, over an 8 year period, with wide ranging experience in purchasing large quantities of steel related products from China steel mills and overseas corporations and also in controlling distribution across China's 14 railway regions. James has very wide international business experience and in leasing rolling stock to the Australia market including the iron ore sector. Historically, James has been an alternate Director on behalf China Railway Materials Commercial Corporation in relation to the following Australian iron ore and infrastructure companies: Mount Gibson Iron Limited (ASX Code: MGX) from February 2005 to February 2006, the unlisted Yilgarn Infrastructure Limited, one of two preferred tenderers for the US$3.5 billion Oakajee rail and port projects in the midwest region of Western Australia, and FerrAus Limited (ASX Code: FRS) from December 2009 to September 2011. *Other current directorships* None. *Former directorships in last 3 years* Alternate Non-Executive Director of FerrAus Limited.	Former Executive Director Former Member of Audit and Remuneration Committees	2,697,715*	Nil*

*Security holdings as at date of resignation

Meetings of Directors

There were 3 Directors' meetings, 1 Audit Committee meeting and Nil Remuneration Committee meetings held during the year ended 30 June 2015. The number of meetings held during the year and the number of meetings attended by each Director whilst in office is:

	Directors' meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	No. held while in office	No. attended	No. held while in office	No. attended	No. held while in office	No. attended
Michael Bogue	3	3	1	1	-	-
Bruno Maia	3	3	1	1	-	-
James Li	3	3	1	1	-	-
Eddie King	-	-	-	-	-	-
Gregory D'Arcy	-	-	-	-	-	-

REMUNERATION REPORT – AUDITED

The Remuneration Report, which has been audited, outlines the key management personnel remuneration arrangements for the Group in accordance with the requirements of the Corporations Act and its Regulations.

The remuneration report is set out under the following main headings:

- Key management personnel disclosed in this report
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share based compensation
- Additional disclosures relating to key management personnel

Key management personnel disclosed in this report

Non-executive and executive directors:

- Eddie King: Non-Executive Chairman
  (appointed 23 April 2015)
- Gregory D'Arcy: Non-Executive Director
  (appointed 23 April 2015)
- Steve Formica: Non-Executive Director
  (appointed 4 August 2015)
- Michael J. Bogue: Former Managing Director and Chief Executive Officer
  (appointed 4 September 2006 and resigned 3 August 2015)
- Bruno Maia: Former Non-Executive Director
  (appointed 22 November 2011 and resigned 23 April 2015)

- James Li: Former Executive Director
  (appointed 6 August 2013 and resigned 22 April 2015)

Other key Management personnel

- Paulo Ribeiro – Former Head of Exploration
  (appointed to position on 22 November 2011, resigned 1 December 2014)
- Bruno Ribeiro – Former Country Manager – Brazil
  (appointed to this position on 1 March 2011, resigned 15 September 2014)

Principles used to determine the nature and amount of remuneration

The Board determines the remuneration of Executive and Non-Executive Directors from time to time.

Executive remuneration and other terms of employment are reviewed annually having regard to performance, relevant comparative information and independent expert advice. Remuneration packages are set at levels that are intended to attract and retain Executives capable of managing the Cabral Group's business activities and operations. Currently, no element of any Director's remuneration is dependent on the satisfaction of a performance condition.

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board has also drawn on external sources of information to ensure Non-Executive Directors' fees and payments are appropriate and in-line with the market for comparable companies for time, commitment and responsibilities. Fees for Non-Executive Directors are not linked to the performance of the consolidated entity.

Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is currently set by the Constitution of the Company at $400,000. This maximum can be changed by Company shareholders in general meeting.

All Directors, other than Mr Bruno Maia, receive a superannuation guarantee contribution required by the government, which was 9.5% for the year ended 30 June 2015, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation or elect to receive their Directors' fees by way of consultancy fees for which no superannuation guarantee contribution applies.

Remuneration paid to all Directors is valued at the cost to the Company and expensed. The value of any unlisted options granted to Directors is brought to account over the vesting period of the options.

Independent advice on the appropriateness of remuneration packages is obtained should the Board of Directors consider it necessary. Remuneration packages are based on fixed remuneration, performance based remuneration and equity based remuneration in the year ended 30 June 2015.

In relation to any element of the remuneration of key management personnel or executives which consists of securities, the Board has no policy in relation to those persons limiting their exposure to risk in relation to the securities.

No other element of remuneration for key management personnel or executives was dependent on a performance condition as the Board determined that these elements were fair and appropriate remuneration.

At the 2014 Annual General Meeting ("AGM") on 26 November 2014 90% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2014. The Company did not receive any specific feedback at the AGM regarding its remuneration practices. As announced to the ASX on 6 November 2015, the Company has been granted an extension to hold its AGM by 1 February 2016.

Details of Remuneration

Details of the remuneration of the Directors, other key management personnel of the Cabral Group and specified executives of the Cabral Group for the years ended 30 June 2015 and 30 June 2014 respectively are set out on the following tables:

	30 June 2015				
	Short term employment benefits	Long term employment benefits	Post employment benefits	Termination benefits	
	Salary, fees & entitlements $	Entitlements $	Superannuation and other entitlements $	Termination benefits $	Total $
Eddie King	-	-	-	-	-
Gregory D'Arcy	-	-	-	-	-
Michael Bogue (Resigned 03/08/15)	143,329	(4,598)	12,865	386,300	537,896
Bruno Maia (Resigned 23/04/15)	18,250	-	-	-	18,250
James Li (Resigned 22/04/15)	44,875	(1,156)	3,958	18,250	65,927
Bruno Ribeiro (Resigned 01/12/04)	30,226	-	-	41,302	71,528
Paulo Ribeiro (Resigned 15/09/14)	45,934	-	-	-	45,934
	282,614	**(5,754)**	**16,823**	**445,852**	**739,535**

	30 June 2014				
	Short term employment benefits	Long term employment benefits	Post employment benefits	Termination	
	Salary, fees & entitlements $	Entitlements $	Superannuation and other entitlements $	Termination benefits $	Total $
Michael Bogue	330,773	19,758	30,062	-	380,593
Bruno Maia	40,000	-	-	-	40,000
James Li	208,884	-	18,500	-	227,384
Albert Wong (Resigned 06/08/14)	5,923	-	548	-	6,471
Malcolm Hancock (Resigned 06/08/14)	3,949	-	365	-	4,314
Alan Davis (Resigned 06/08/14)	3,445	-	-	-	3,445

Bruno Ribeiro	191,293	-	109,628	-	300,921
Paulo Ribeiro	228,390	-	49,344	-	277,734
	1,012,657	**19,758**	**208,447**	**-**	**1,240,862**

Service Agreements

Summary Terms of Managing Director and Chief Executive Officer Remuneration Package

The appointment is to the position of Managing Director and Chief Executive Officer of the Company on a full–time basis and is for an indefinite duration, terminable as provided below.

The duties of Mr Bogue are those expected of a Managing Director and Chief Executive Officer, reporting to and taking directions from the Board. Mr Bogue is not, without the prior written consent of the Company, to accept new appointments as a Director or secretary of any additional companies from the date of his appointment.

The key terms of the service agreement are:

- Total base salary (including legislated superannuation contributions) of $354,250 per annum effective as from 1 March 2011.
- As determined at the sole discretion of the Board an annual bonus of up to 3% of the Company's Net Profit after Tax. A further bonus of up to 100% of Mr Bogue's base salary may be payable upon completion of each significant transaction which he undertakes for the Company. No cash bonus was paid in relation to the year ended 30 June 2015 (2014: Nil).
- Participation in the Company's Managing Director and Chief Executive Officer Share Option Plan in accordance with the Plan's conditions as apply from time to time.
- Mr Bogue is restrained for 6 months after the termination of his employment from procuring or soliciting the custom of any person or entity which was a client or customer of the Company or any of its related corporations.
- Mr Bogue must not use or disclose the Company's confidential information except as required to carry out his duties for the Company.
- The Company may terminate Mr Bogue's employment by providing 12 months' notice. The Company may also terminate without notice for misconduct and other specified grounds. Mr Bogue may resign at any time by providing 3 months' notice.

Mr Michael J. Bogue resigned on 3 August 2015.

Summary Terms of Head of Exploration

The appointment is to the position of Head of Exploration of the Company on a full time basis and is for an indefinite duration, terminable as provided below. The duties of Mr Paulo Ribeiro are managing the Company's global exploration and development program to the standards required for reporting under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 (the JORC Code), managing the Company's global exploration team and personnel and monitoring, identifying and/or assisting with technical studies and due diligence on any future Company acquisitions and consolidation activities contemplated by the Company from time to time.

The key terms of the employment agreement are:

- Total remuneration package of BRL$583,655 per annum including Brazilian social security contributions, other Brazilian labour law contributions and a housing allowance.

- Participation in any cash bonus plans, share and options plans or other incentive plans approved by the Board from time to time. Such payments or other benefits shall not be included as part of the total remuneration package or calculation of any other amounts or entitlements that may be payable. Mr Paulo Ribeiro has specific performance targets within his employment agreement related to identifying and proving up mineral JORC resources for the Cabral Group. No cash payments have been made in respect of these performance targets during the financial year.
- Mr Paulo Ribeiro must not use or disclose the Company's confidential information except as required to carry out his duties for the Company.
- The Company may terminate Mr Paulo Ribeiro without notice for misconduct and other specified grounds. The Company may terminate the agreement providing 6 months' notice. Mr Paulo Ribeiro may resign at any time by providing 6 months' notice.

Mr Paulo Ribeiro resigned on 1 December 2014.

Summary Terms of Country Manager Brazil

The appointment is to the position of Country Manager Brazil of the Company on a full–time basis and is for an indefinite duration, terminable as provided below. The duties of Mr Bruno Ribeiro are to work closely with the Managing Director and Chief Executive Officer and the Head of Exploration including, but not limited to, facilitating the progress of the Company's exploration and development objectives in Bahia State, Brazil, bridging the communication gap and ensuring the Company's corporate objectives are met in Brazil relating to exploration activities, future project development activities, potential acquisitions and due diligence and access to State and Federal infrastructure projects, resourcing and employment of local Brazilian exploration and administration staff.

The key terms of the service agreement are:

- Total remuneration package of BRL$561,080 per annum including Brazilian social security contributions, other Brazilian labour law contributions and a housing allowance.
- Participation in any cash bonus plans, share and options plans or other incentive plans approved by the Board from time to time. Such payments or other benefits shall not be included as part of the total remuneration package or calculation of any other amounts or entitlements that may be payable.
- Mr Bruno Ribeiro must not use or disclose the Company's confidential information except as required to carry out his duties for the Company.
- The Company may terminate Mr Bruno Ribeiro without notice for misconduct and other specified grounds. The Company may terminate the agreement providing 6 months notice. Mr Bruno Ribeiro may resign at any time by providing 6 months notice.

Mr Bruno Ribeiro resigned on 15 September 2014.

Summary Terms of Executive Director (previously Executive General Manager – Asia)

The appointment was to the position of Executive General Manager - Asia of the Company on a full–time basis and is for an indefinite duration, terminable as provided below.

The duties of Mr James Li are to work in close consultation, co-operation and partnership with the Managing Director and Chief Executive Officer particularly, but not limited to, sourcing Group debt and equity funding from Asian entities, undertaking technical analysis and due diligence of potential Group acquisitions or project interests, liaising with Asian entities in respect of the aforementioned acquisitions or project interests.

The key terms of the service agreement are:

- Total remuneration package of $218,500 per annum.
- Statutory superannuation contributions on the base salary.

- Participation in any cash bonus plans, share and options plans or other incentive plans approved by the Board from time to time. Such payments or other benefits shall not be included as part of the total remuneration package or calculation of any other amounts or entitlements that may be payable.
- Mr James Li must not use or disclose the Company's confidential information except as required to carry out his duties for the Company.
- The Company may terminate Mr James Li without notice for misconduct and other specified grounds. The Company may terminate the agreement providing 2 months' notice. Mr James Li may resign at any time by providing 3 months' notice.

Mr James Li resigned on 22 April 2015.

Share based compensation

No options over ordinary shares in the Company were provided as remuneration to Directors and other key management personnel of the Cabral Group and specified executives of the Company and Cabral Group in this or the previous reporting period.

The Company currently has NIL option securities on issue at 30 June 2015.

Shares Provided on Exercise of Remuneration Options

No ordinary shares in the Company were provided as a result of an exercise of remuneration options to Directors and other key management personnel of the Cabral Group in this or the previous reporting period.

Share Options

On 30 November 2015, the Company issued 5,000,000 Unlisted Options exercisable at $0.02 on or before 30 October 2019 and 10,000,000 Listed Options exercisable at $0.04 on or before 30 October 2019 to Eddie King as approved by shareholders at a General Meeting on 1 October 2015.

On 30 November 2015, the Company issued 1,500,000 Unlisted Options exercisable at $0.02 on or before 30 October 2019 and 3,500,000 Listed Options exercisable at $0.04 on or before 30 October 2019 to Gregory D'Arcy as approved by shareholders at a General Meeting on 1 October 2015.

There are no other unissued ordinary shares of the Company under option at the date of this report.

Additional disclosures relating to key management personnel

The movement during the reporting period in the number of ordinary shares of Cabral Resources Limited held directly, indirectly or beneficially, by each Director or key management personnel, including their personally-related entities is as follows:

	Held at 30 June 2014	**Received during the year on the exercise of options**	**Other changes**	**Held at Resignation**	**Held at 30 June 2015**
Shares					
Eddie King	-	-	-	-	-
Gregory D'Arcy	-	-	-	-	-
Michael J. Bogue	9,851,276	-	1,000,000	-	10,851,276
James Li	1,098,857	-	1,598,858	2,697,715	-
Bruno Ribeiro	3,907,908	-	-	3,907,908	-
Paulo Ribeiro	-	-	-	-	-

Bruno Maia	-	-	-	-	-

The Company had no option securities on issue as at 30 June 2015.

End of Remuneration Report

COMPANY SECRETARY

Mr. Brockhurst has fifteen (15) years of experience in the finance and corporate advisory industry and has been responsible for the preparation of the due diligence process and prospectuses on a number of initial public offers. His experience includes corporate and capital structuring, corporate advisory, and company secretarial services, capital raising, ASX and ASIC compliance requirements.

Mr. Brockhurst has served on various boards and has acted as a company secretary for numerous ASX listed and unlisted companies. He is currently a director of Plymouth Minerals Limited and company secretary of Windward Resources Limited, Jacka Resources Limited and Raptor Resources Limited.

ENVIRONMENTAL REGULATION

The Cabral Group is not aware of any breaches in relation to environmental matters.

LIKELY DEVELOPMENTS AND ANNOUNCEMENTS

The Directors have excluded from this report any further information on the likely developments in the operations of the Company and the expected results of those operations in future financial years, as the Directors believe that it would be speculative and prejudicial to the interests of the Company.

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the year the Company paid premiums in respect of a contact insuring all the directors and officers of the Company against liabilities, past present and future.

In accordance with normal commercial practice, the disclosure of the total amount of premiums under and the nature of the liabilities covered by the insurance contract is prohibited by a confidentiality clause in the contract.

CORPORATE GOVERNANCE

Refer to pages 19 to 33 for the Corporate Governance Statement.

AUDITOR

Nexia Court & Co continues in office in accordance with section 327 of the Corporations Act 2001.

Details of amounts paid or payable to the auditors for audit and non-audit services are set out below.

	Consolidated	
	2015 **$**	**2014** **$**
Amounts paid, or due and payable to:		
The current auditor of the parent entity		
(Nexia Court & Co – Australian Firm)		
- for auditing and reviewing the financial reports of the entity or any entity in the consolidated entity	45,500	51,560
- for tax services	-	3,623
Total	**45,500**	**55,183**

The Directors have considered the position and are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 given to the Directors by the lead auditor for the audit undertaken by Nexia Court & Co is included on page 18.

Signed in accordance with a resolution of the Directors.

Dated: 15 December 2015

Eddie King
Non-Executive Director

nexia australia

the next solution

The Board of Directors
Cabral Resources Limited
Level 11
216 St Georges Terrace
PERTH WA 6000

Dear Board Members

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit partner for the audit of the financial statements of Cabral Resources Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia Court & Co

Nexia Court & Co

Chartered Accountants

Lester Wills

Partner

Sydney

Dated: 15 December 2015

Sydney Office
Level 16, 1 Market Street, Sydney NSW 2000
PO Box H195, Australia Square NSW 1215
p +61 2 9251 4600, f +61 2 9251 7138
info@nexiacourt.com.au, www.nexia.com.au

Independent member of Nexia International

CORPORATE GOVERNANCE STATEMENT

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd Edition. The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines. Where the Company does not have certain policies or committees recommended by the ASX Corporate Governance Council (the Council) in place during the reporting period, we have identified such policies or committees.

The Board of Directors of Cabral Resources Limited is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of Cabral Resources Limited on behalf of the shareholders by whom they are elected and to whom they are accountable. Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance, however it does not consider that all the practices are appropriate for the Company due to the size and scale of Company operations. For further information on corporate governance policies adopted by Cabral Resources Limited, refer to our website: www.cabralresources.com.au.

Date of last review and Board approval: 11 December 2015.

Principle / Recommendation	Compliance	Reference	Commentary
Principle 1: **Lay solid foundations for management and oversight**			
Recommendation 1.1 A listed entity should disclose: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	Yes	Board Charter, Independent Professional Advice Policy, Website	The Company does not currently have a Managing Director. Therefore, all reference to a Managing Director in the Corporate Governance Statement and its related policies and charters will relate to the Company's current Non-Executive Chairman. The Company has established the functions reserved to the Board, and those delegated to senior executives and the Company Secretary and has set out these functions in its Board Charter. The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance,

			overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the entity's securities and monitoring the effectiveness of the Company's governance practices. Senior executives are responsible for supporting and assisting the Managing Director in implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds directly to the Chair or the lead independent director, as appropriate. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.
<u>Recommendation 1.2</u> A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re- elect a director.	Yes	Director Selection Procedure Website	In determining candidates for the Board, the Nomination Committee follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting. The Board recognises that Board renewal is critical to performance and the impact of Board tenure on succession planning. Each director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the

			Company. At each annual general meeting a minimum of one director or one third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting and re-appointment of directors is not automatic.
<u>Recommendation 1.3</u> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Kept at registered office, Independent Professional Advice Policy	Each non-executive director has a written agreement with the Company that covers all aspects of their appointment including term, time commitment required, remuneration, disclosure of interests that may affect independence, guidance on complying with the Company's corporate governance policies and the right to seek independent advice, indemnity and insurance arrangements, rights of access to the Company's information and ongoing confidentiality obligations as well as roles on the Company's committees. Each executive director's agreement with the Company includes the same details as the non-executive directors' agreements but also includes a position description, reporting hierarchy and termination clauses. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.
<u>Recommendation 1.4</u> The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	Board Charter Website	The Company has established the functions reserved to the Board, and those delegated to senior executives and the Company Secretary and has set out these functions in its Board Charter.
<u>Recommendation 1.5</u> A listed entity should: a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to	Yes	Diversity Policy Website	Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. The Company has established a Diversity Policy, which includes requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them. The Company's Diversity Strategy details the Company's measurable objectives for achieving gender diversity in accordance with the Diversity Policy. In doing this, and

assess annually both the objectives and the entity's progress in achieving them; b) disclose that policy or a summary of it; and c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: 1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or 2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.			assigning the responsibility for the Diversity Policy and its administration, monitoring and review. The Diversity Strategy includes a number of concepts including contribution to enhance local workforce and provision of opportunities for career development. Initiation of programs and schemes to achieve these goals were achieved during the Reporting Period. The Board has also adopted a policy to address harassment and discrimination in the Company, which it believes will facilitate an environment that encourages a diverse workforce. The Company set the following objectives for the employment of women: • to the Board – 50% by 2018 • to senior management (including CFO and Company Secretary) – 50% by 2018 • to the organisation as a whole – 50% by 2018 As at the date of this report, the Company has the following proportion of women appointed: • to the Board – 0% • to senior management (including CFO and Company Secretary) – 0% • to the organisation as a whole – 20% The Company recognises that the mining and exploration industry is intrinsically male dominated in many of the operational sectors and the pool of women with appropriate skills will be limited in some instances. Where possible, the Company will seek to identify suitable candidates for positions from a diverse pool.
Recommendation 1.6: A listed entity should: a) have and disclose a process for periodically evaluating the	Yes	Board, Committee & Individuals Performance Evaluation Policy Website	**Board, its committees, the chair and individual directors** The Chair is responsible for evaluating the performance of the Board and, when appropriate, Board committees and individual directors deemed. A Non-Executive Director is responsible for evaluating the Chair. The evaluations of the Board, and any applicable Board

performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.			committees and individual directors are undertaken via informal discussions on an ongoing basis with the Chair. The evaluation of the Managing Director (if applicable) is undertaken via an informal interview process which occurs annually or more frequently, at the Board's discretion. During the reporting period an evaluation of Board, its committees, the chair and individual directors took place in accordance with the process disclosed above.
Recommendation 1.7: A listed entity should: a) have and disclose a process for periodically evaluating the performance of its senior executives; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Board, Committee & Individuals Performance Evaluation Policy Website	**Senior executives** The Chair is responsible for evaluating the performance of senior executives. The evaluation of senior executives is undertaken via an informal interview process which occurs annually or more frequently as required and otherwise takes place as part of the annual salary review under the senior executives' employment contract. During the reporting period an evaluation of senior executives took place in accordance with the process disclosed above.
Principle 2: Structure the board to add value			
Recommendation 2.1 The board of a listed entity should: a) have a nomination committee which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the	No	Nomination Committee Charter, Independent Professional Advice Policy Website	The Board has not established a separate Nomination Committee. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a nomination committee are discussed at a separate meeting when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions.

committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.			To assist the Board to fulfil its function as the Nomination Committee, it has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Nomination Committee. The Board met as the Nomination Committee once during the year and all Board members were in attendance. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.
Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	Website	The Company has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skills shortages. The Company is working towards filling these gaps through professional development initiatives as well as seeking to identify suitable Board candidates for positions from a diverse pool.
Recommendation 2.3 A listed entity should disclose: a) the names of the directors considered by the board to be independent directors; b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not	Yes	Board Charter, Independence of Directors Assessment Website	All Directors including Eddie King (appointment 23 April 2015), Greg D'Arcy (appointment 23 April 2015) and Steve Formica (appointment 3 August 2015) are deemed independent as they are non-executive directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles & Recommendations and the Company's materiality thresholds. The Board has agreed on the following guidelines, as set out in the Company's Board Charter, for assessing the materiality of matters:

compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and c) the length of service of each director.			• Balance sheet items are material if they have a value of more than 10% of pro-forma net assets. • Profit and loss items are material if they will have an impact on the current year operating result of 10% or more. • Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%. • Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced or cannot be replaced without an increase in cost which triggers any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	Yes	Independence of Directors Assessment Website	The Board has a majority of Directors who are independent.
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	Independence of Directors Assessment Website	The Board believes that there would be no efficiencies gained by having a separate Chair due to its current size. The Chairperson is an independent Director who is not the CEO / Managing Director.

Recommendation 2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Director Induction Program, Ongoing Education Framework Website	It is the policy of the Company that each new Director undergoes an induction process in which they are given a full briefing on the Company. Where possible this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new Directors include: • details of the roles and responsibilities of a Director; • formal policies on Director appointment as well as conduct and contribution expectations; • a copy of the Corporate Governance Statement, Charters, Policies and Memos and • a copy of the Constitution of the Company. In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. The Board has implemented an Ongoing Education Framework.
Principle 3: Act ethically and responsibly			
Recommendation 3.1 A listed entity should: a) have a code of conduct for its directors, senior executives and employees; and b) disclose that code or a summary of it.	Yes	Code of Conduct Website	The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.
Principle 4: Safeguard integrity in corporate reporting			
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: a) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and 1) is chaired by an independent director, who is not	No	Audit Committee Charter Website	The Company does not have an audit committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by an audit committee can be adequately handled by the full Board. At such time when the Company is of sufficient size, a separate Audit and Risk Management Committee will be formed. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non-financial information. It is the Board's

the chair of the board, and disclose: 2) the charter of the committee; 3) the relevant qualifications and 4) experience of the members of the committee; and 5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.			responsibility for the establishment and maintenance of a framework of internal control of the Company. The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee (or its equivalent). Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee (or its equivalent) and any recommendations are made to the Board.
<u>Recommendation 4.2</u> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has	Yes	Kept at registered office	The Chairman and the Chief Financial Officer (Company Secretary) provide a declaration to the Board in accordance with section 295A of the Corporations Act for each financial report and assure the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

been formed on the basis of a sound system of risk management and internal control which is operating effectively.			
<u>Recommendation 4.3</u> A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	AGM	The external auditor is invited to attend every AGM for the purpose of answering questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure			
<u>Recommendation 5.1</u> A listed entity should: a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b) disclose that policy or a summary of it.	Yes	Continuous Disclosure Policy Website	The Company has established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance. The Company has appointed a Responsible Officer who is responsible for ensuring the procedures are complied with. The Responsible Officer is Eddie King, and in that person's absence, Steve Formica.
Principle 6: Respect the rights of security holders			
<u>Recommendation 6.1</u> A listed entity should provide information about itself and its governance to investors via its website.	Yes	Website Disclosure Policy Website	The Company's website includes the following: • Corporate Governance policies, procedures, charters, programs, assessments, codes and frameworks • Names and biographical details of each of its directors and senior executives • Constitution • Copies of annual, half yearly and quarterly reports • ASX announcements • Copies of notices of meetings of security holders • Media releases • Overview of the Company's current business, structure and history • Details of upcoming meetings of security

			holders • Historical market price information of the securities on issue • Contact details for the share registry and media enquiries
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	Shareholder Communication Policy	The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at shareholder meetings.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Shareholder Communication Policy Website	The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at shareholder meetings.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from and send communications to, the entity and its security registry electronically.	Yes	Shareholder Communication Policy Website	Shareholders are regularly given the opportunity to receive communications electronically.
Principle 7: Recognise and manage risk			
Recommendation 7.1 The board of a listed entity should: a) have a committee or committees to oversee risk, each of which: 1) has at least three members, a majority of whom are independent directors; and 2) is chaired by an independent director, and disclose:	No	Risk Management Policy Website	The Company does not have a risk committee. The Board is of the opinion that due to the nature and size of the Company, the functions performed by a risk committee can be adequately handled by the full Board. At such time when the Company is of sufficient size, a separate Audit and Risk Management Committee will be formed. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non-financial information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control of the Company.

3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.			The Board has adopted a Risk Management Policy to assist with the identification and review of risk as well as the responsibilities within the Company.
<u>Recommendation 7.2</u> The board or a committee of the board should: a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	Risk Management Policy Website	The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control. Under the policy, the Board delegates day-to-day management of risk to the Managing Director (if not applicable, then the Chair), who is responsible for identifying, assessing, monitoring and managing risks. The Managing Director is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board. In fulfilling the duties of risk management, the Managing Director may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board. In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks: • the Board has established authority limits for management, which, if proposed to be exceeded, requires prior Board approval; • the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and

			• the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices. During the year, management reported to the Board on the following categories of risks affecting the Company as part of the Company's systems and processes for managing material business risks: operational, financial reporting, sovereignty and market-related risks.
Recommendation 7.3 A listed entity should disclose: a) if it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	No	Audit Committee Charter Website	The Board performs the role of Audit Committee. When the Board convenes as the Audit Committee it carries out those functions which are delegated to it in the Company's Audit Committee Charter which include reviewing the Company's internal financial control system. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function, the expense of an independent internal auditor is not considered to be appropriate.
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Corporate Governance Statement	The Company has considered its economic, environmental and social sustainability risks by way of internal review and has concluded that it is not subject to material economic, environmental and social sustainability risks.
Principle 8: Remunerate fairly and responsibly			
Recommendation 8.1 The board of a listed entity should: a) have a remuneration committee which: 1) has at least three members, a majority of whom are	No	Remuneration Committee Charter, Independent Professional Advice Policy Website	The Board has not established a separate Remuneration Committee, and therefore it is not structured in accordance with Recommendation 8.1. Given the current size and composition of the Board, the Board believes that there would be no efficiencies gained by establishing a separate Remuneration Committee. Accordingly, the Board performs the role of Remuneration Committee. Items that are usually required to be discussed by a Remuneration Committee

independent directors; and 2) is chaired by an independent director, and disclose: 3) the charter of the committee; 4) the members of the committee; and 5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.			are discussed at a separate meeting when required. When the Board convenes as the Remuneration Committee it carries out those functions which are delegated to it in the Company's Remuneration Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Remuneration Committee by ensuring that the Director with conflicting interests is not party to the relevant discussions. The Board as a whole met as the Remuneration Committee once during the year and all Board members were in attendance. To assist the Board to fulfil its function as the Remuneration Committee, the Company has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee. To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Remuneration Policy Website	Details of remuneration, including the Company's policy on remuneration, are contained in the Remuneration Report which forms of part of the Annual Report. The remuneration of non-executive directors is set by reference to payments made by other companies of similar size and industry, and by reference to the director's skills and experience. Given the Company is at its early stage of development and the financial restrictions placed on it, the Company may consider it appropriate to issue unlisted options to non-executive directors, subject to obtaining the relevant approvals. The Remuneration Policy is subject to annual review. All of the directors' option holdings are fully disclosed. Executive pay and rewards consists of a base salary and performance incentives. Long term performance incentives may include options granted at the discretion of the Board and subject to obtaining the relevant approvals. The grant of options is designed to recognise and reward efforts as well as to provide additional incentive and may be subject to the successful completion of performance hurdles. Executives are

			offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme; and disclose that policy or a summary of it.	Yes	Remuneration Policy Website	Executives and Non-Executive Directors are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 30 June 2015

	Note	Consolidated 2015 $	2014 $
Revenue	2	3,152	63,805
Administration	3	(240,241)	(426,703)
Administrator expenses		(343,806)	-
Occupancy		(61,412)	(88,752)
Employee benefits expense		(686,770)	(613,901)
Depreciation and impairment expense	3	(74,798)	(31,945)
Share of (loss) profit from equity accounted investees	9	(424,273)	(63,637)
Loss before income tax		(1,828,148)	(1,161,133)
Income tax benefit	4	-	-
Loss from continuing operations after income tax		(1,828,148)	(1,161,133)
Discontinued operations after income tax			
Loss from discontinued operations after income tax	5	(5,766,617)	(11,909,452)
Loss attributable to owners of Cabral Resources Limited		(7,594,765)	(13,070,586)
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		-	(254,763)
Reclassification adjustments			
Reclassification to profit or loss on loss of control of subsidiary	5	2,291,765	-
Other comprehensive income / (loss)		2,291,765	(254,763)
Total comprehensive income attributable to members of Cabral Resources Limited		(5,303,000)	(13,325,349)
Basic and diluted earnings per share from continuing operations	16	(0.64) ¢	(0.45) ¢
Basic and diluted earnings per share from discontinued operations	16	(2.01) ¢	(4.59) ¢
Basic and diluted earnings per share	16	(2.65) ¢	(5.04) ¢

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	Note	2015 $	2014 $
Current assets			
Cash and cash equivalents	6	201,849	1,179,152
Trade and other receivables	7	32,957	7,625
Non-current assets held for sale	8	2,895,574	-
Total current assets		3,130,380	1,186,777
Non-current assets			
Investments accounted for using the equity method	9	-	629,980
Property, plant & equipment	10	-	288,652
Exploration assets	11	-	2,226,338
Total non-current assets		-	3,144,970
TOTAL ASSETS		**3,130,380**	**4,331,747**
Current liabilities			
Trade and other payables	12	480,721	262,350
Employee benefits	13	653,729	197,185
Liabilities directly associated with non-current assets held for sale	8	2,895,574	-
Total current liabilities		4,030,024	459,535
Non-current liabilities			
Trade and other payables	12	-	12,335
Employee benefits	13	-	63,739
Total non-current liabilities		-	76,074
TOTAL LIABILITIES		**4,030,024**	**535,609**
NET (DEFICIENCY IN ASSETS) / ASSETS		**(899,644)**	**3,796,138**
Equity			
Contributed equity	14	39,938,263	39,331,045
Reserves	15	-	(2,291,765)
Accumulated losses		(40,837,907)	(33,243,142)
TOTAL (DEFICIENCY IN EQUITY) / EQUITY		**(899,644)**	**3,796,138**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2015

	Note	Consolidated Contributed equity $	 Reserves $	 Accumulated losses $	 Total equity $
Balance as at 1 July 2013		**39,331,045**	**(1,918,002)**	**(20,291,556)**	**17,121,487**
Total comprehensive income for the year		-	(254,763)	(13,070,586)	(13,325,349)
Transactions with owners in their capacity as owners					
Employee share options	15	-	(119,000)	119,000	-
Balance as at 30 June 2014		**39,331,045**	**(2,291,765)**	**(33,243,142)**	**3,796,138**
Balance as at 1 July 2014		**39,331,045**	**(2,291,765)**	**(33,243,142)**	**3,796,138**
Total comprehensive income for the year			2,291,765	(7,594,765)	(5,303,000)
Transactions with owners in their capacity as owners					
Issue of ordinary shares	14	607,218	-	-	607,218
Balance as at 30 June 2015		**39,938,263**	**-**	**(40,837,907)**	**(899,644)**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2015

	Note	Consolidated 2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		-	61,528
Payments to suppliers, employees and creditors (inclusive of GST)		(745,189)	(1,856,507)
Interest received		5,335	164,085
Net cash outflows from operating activities	24	(739,854)	(1,630,894)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(2,176,541)
Payments for exploration assets		(1,122,661)	-
Cash held by subsidiaries on loss of control		(119,948)	-
Proceeds from sale of fixed assets		92,197	-
Proceeds from sale of investments		205,707	-
Net cash outflows from investing activities		(944,705)	(2,176,541)
Cash flows from financing activities			
Loans from related parties		106,416	-
Proceeds from deed of company arrangement	14	90,000	-
Proceeds from issue of shares	14	517,218	-
Net cash outflows from investing activities		713,634	-
Net increase / (decrease) in cash held		(970,925)	(3,807,435)
Cash and cash equivalents at 1 July		1,179,152	5,078,084
Effect of exchange rate changes on cash and cash equivalents		(6,378)	(91,497)
Cash at 30 June	6	**201,849**	**1,179,152**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principals accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Cabral Resources Limited is a company domiciled in Australia. The financial statements are for the Consolidated Entity consisting of Cabral Resources Limited and its subsidiaries. The Consolidated Entity is a for-profit entity and is primarily involved in mineral exploration, primarily iron ore, in the Bahia state of Brazil.

a. Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The presentation currency is Australian dollars.

i. Compliance with IFRS

The consolidated financial statements of Cabral Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

ii. Adoption of new and revised standards

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2014:

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities' (effective 1 July 2014)

The Group has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 'Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets' (effective 1 July 2014)

The Group has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 'Amendments to Australian Accounting Standards (Parts A to C) (effective 1 July 2014)

The Group has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share Based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to required disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 116 'Property, Plant and Equipment and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosures of the fees paid to the management entity.

AASB 1031 'Materiality' (effective 1 July 2014)

Deletes all the previous Australian guidance in AASB 1031 on materiality, including the quantitative thresholds, and cross references the definition of 'material' to the *Framework for the Preparation and Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

iii. Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss after tax for the year ended 30 June 2015 of $7,594,765, which includes a Loss from discontinued operations after income tax of $5,766,617 (note 5) and experienced net cash outflows from operating activities of $739,854 and net cash outflows from investing activities of $944,705. At 30 June 2015, cash and cash equivalents was $201,849.

Notwithstanding the deficiency of net assets of $899,644 at balance date, the Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- On 13 April 2015, a DOCA was executed by the Company, the Administrators and CPS and a Creditors' Trust Deed was executed by the Company and the Administrators to give effect to the Recapitalisation Proposal. The Recapitalisation Proposal provided for payment of contributions totalling $450,000 (DOCA Amount) to be made to the Deed Administrators and ultimately paid to the Creditors' Trust for the benefit of Admitted Creditors. On 13 October 2015, the Administrators confirmed that all funds required to be paid by CPS under the DOCA were received and accordingly, the DOCA has been fully effectuated.

- Pursuant to shareholder approval obtained on 1 October 2015 for the recapitalisation proposal, the Company signed a lead manager and broker mandate with CPS on 28 October 2015. CPS is to co-ordinate and manage the following proposed capital raisings on a best endeavours basis:
    - The issue of up to 20,000,000 Shares at $0.00001 each to raise up to $200;
    - The issue of up to 125,000,000 Shares at $0.02 each to raise up to $2,500,000 (underwritten to an amount of $1,000,000);

- The issue of up to 30,000,000 Unlisted Options at $0.00001 each to raise up to $300;
- The issue of up to 50,000,000 Listed options at $0.00001 each to raise up to $500.

- The Company has obtained a letter of financial support from CPS whereby it will raise $3,000,000 on a best endeavours basis, should Cabral Mineracao Ltda demand repayment of the loan receivable from Cabral Metais Ltda (a wholly owned subsidiary of Cabral Resources Ltd) totalling BRL$6,940,494 (AUD$2,895,574) as at 30 June 2015. Although the Directors do not expect the repayment of loan to be called in the next 12 months, should Cabral Mineracao Ltda be repaid, Cabral Resources Limited will ultimately receive the funds as the sole shareholder and major creditor of Cabral Brazil Pty Ltd, who in turn is the sole shareholder and major creditor of Cabral Mineracao Ltda.

In considering the above, the directors have reviewed the Group's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Group will be able to secure additional funds to meet non-related party creditors.

However, if the Group is not successful in securing sufficient additional funds, there is a material uncertainty that may cast significant doubt whether the Group will continue as a going concern and therefore whether the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern.

b. Principals of Consolidation

i. Subsidiaries

The consolidated financial statements comprise the financial statements of Cabral Resources Limited and its subsidiaries at 30 June each year ("the Cabral Group"). Subsidiaries are entities over which the Cabral Group has the power to govern the financial and operational policies generally accompanying a shareholding of more than one half of the voting rights. Potential voting rights that are currently exercisable or convertible are considered when assessing control. Consolidated financial statements include all subsidiaries from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless costs cannot be recovered.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income and statement of financial position respectively.

Subsidiaries are accounted for in the parent entity at cost.

ii. Associates

Associates are all entities over which the Cabral Group has significant influence but not control. Associates are accounted for in the parent entity at cost and the consolidated financial statements using the equity method of accounting. Under the equity method of accounting, the consolidated statement of profit or loss and other comprehensive income reflects the Cabral Group's share of associates' post acquisition movements in reserves or equity. The cumulative post-acquisition movements are adjusted against the carrying amount in the investment. Dividends received from associates are recognised in the parent entity's statement of profit or loss and other comprehensive income but rather reduce the carrying amount of the investment in the consolidated financial statements.

When the Cabral Group's share of post acquisition losses in an associate exceeds its interest in the associate (including any unsecured receivables), the Cabral Group does not recognise further losses unless it has obligations to, or has made payments, on behalf of the associate.

The financial statements of the associate are used to apply the equity method. The reporting dates of the associate and the parent are identical and both use consistent accounting policies.

c. Foreign Currency Translation

i. Functional and Presentation Currency

Items included in the financial statements of each of the Cabral Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is Cabral Resources Limited's functional and presentation currency.

ii. Transactions and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income on a net basis within the other income and other expenses.

Non-monetary items that are measured at their fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

iii. Group Companies

The results and financial positions of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each income statement and statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

d. Revenue Recognition

Revenue is recognised at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. The following specific recognition criteria must also be met before revenue is recognised:

- Interest revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

- Revenue from dividends is recognised when the Cabral Group's right to receive payment is established.

e. Income Taxes

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets are recognised for all differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Cabral Resources Limited and its wholly owned subsidiaries have implemented the tax consolidation legislation for the whole of the financial year. Cabral Resources Limited is the head entity in the tax consolidation group.

f. Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interest issued by the Cabral Group. The consideration transferred also includes the fair value of any asset or liability resulting from contingent liabilities incurred and the equity interests issued by the Cabral Group. The consideration transferred also includes the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The excess of the consideration transferred is recorded as goodwill.

g. Impairment of Assets

At each reporting date the Cabral Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in the statement of profit or loss and other comprehensive income where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

Where it is not possible to estimate the recoverable amount for an individual asset, recoverable amount is determined for the cash-generating unit to which the asset belongs.

h. Cash and Cash Equivalents

For presentation purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

i. Trade Receivables

Trade receivables are recognised at fair value as the amounts receivable are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is raised where there is some doubt over collection.

j. Investments in Other Financial Assets

The Cabral Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

i. Financial Assets at Fair Value through Profit or Loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the balance sheet date.

Financial assets at fair value through profit or loss are carried at fair value. Realised and unrealised gains and losses arising from changes in the fair value are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

The fair value of investments traded in active markets is determined by reference to quoted market bid prices at balance date. The fair value of investments not traded in an active market is determined using valuation techniques including reference to recent arm's length transactions, net asset backing and current market value of another similar instrument.

ii. Loan and Receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Cabral Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve months after balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

Receivables are stated at their cost less impairment losses.

iii. Held-to-Maturity Investments

Held-to-maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that the Cabral Group's management has the positive intention and ability to hold to maturity.

iv. Available for Sale Financial Assets

Available for sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months.

Available-for-sale financial assets are carried at fair value. Unrealised gains and losses arising from changes in fair value are recognised in equity. When sold the accumulated fair value adjustments are included in the statement of profit or loss and other comprehensive income as gains and losses from investment securities.

k. Property, Plant and Equipment

All property, plant and equipment is shown at cost less accumulated depreciation and amortisation which is spread over the estimated life of those assets. Depreciation is on a straight line or a diminishing value basis. The estimated useful lives are as follows:

Plant and equipment, and leasehold improvements: 2– 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

l. Intangible Assets

i. Exploration and Evaluation Expenditure

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward where rights to tenure of the area of interest are current and:

- It is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; and/or
- Exploration and evaluation activities are continuing in an area of interest but at balance date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Where the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised "mine properties in development". Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment.

If facts and circumstances suggest that the carrying amount of any recognised exploration and evaluation assets may be impaired, the entity must perform impairment tests on those assets in accordance with AASB 136 "Impairment of Assets'. Impairment of exploration and evaluation assets is to be assessed at a cash generating unit or group of cash generating units level provided this is no larger than an area of interest. Any impairment loss is to be recognised as an expense in accordance with AASB 136. Accumulated costs in relation to an abandoned area are written off to the statement of profit or loss and other comprehensive income in the period in which the decision to abandon the area is made.

m. Borrowings

Borrowings are initially recognised at fair value, net of transactions costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged cancelled or expired.

Borrowings are classified as current liabilities unless the Cabral Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

n. Earnings per Share

i. Basic Earnings per Share

Basic earnings per share is determined by dividing the net result attributable to members of Cabral Resources Limited by the weighted average number of ordinary shares outstanding during the financial year.

ii. Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

o. Employee Benefits

i. Short-Term Obligations

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

ii. Long Service Leave

The liability for long service leave is recognised as an employee benefit and measured as the present value of expected payments to be made in respect of services provided by employees up to the reporting date.

iii. Share Based Payment Benefits

Share based compensation benefits are provided to Directors and employees via share or option plans in place from time to time. Information relating to these Plans is set out in the Directors' Report and Note 26.

The fair value of options granted under the Plans is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (e.g. profitability or transaction specific targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

p. Lease Payments

Leases where the lessor retains substantially all the risks and rewards of ownership of the net asset are classified as operating leases. Payments under operating leases (net of incentives received from the lessor) are charges to the statement of profit or loss and other comprehensive income on a straight line basis over the period of the lease.

q. Trade and other Payables

Trade and other payables represent liabilities for goods and services provided to the Cabral Group prior to year end and which are unpaid. These amounts are unsecured and have 30 to 60 day payment terms.

r. Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

s. Contributed Equity

Ordinary shares are classified as equity.

Costs attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

t. Fair Value

Fair values may be used for financial asset and liability measurement as well as for sundry disclosures.

Fair values for quoted financial instruments traded in active markets are based on quoted market prices at the date of the statement of financial position. The quoted market price for financial assets is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Cabral Group for similar financial instruments.

u. Discontinued Operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of the discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

v. Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, the must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down on the non-current assets and assets of disposal groups to fair value less cost of disposal. A gain is recognised for any subsequent increase in fair value less costs of disposal of non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of the assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

w. New Standards and Interpretations not yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2015 reporting period. The Cabral Group's assessment of the impact of these new standards is set out below:

i. AASB 9 Financial Instruments (effective from 1 January 2018)

AASB 9 (2014) includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test.

AASB 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139 as follows:

a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.

b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

   i) The change attributable to changes in credit risk are presented in other comprehensive income (OCI)

   ii) The remaining change is presented in profit or loss.

AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9 by AASB 2014-7 and AASB 2014-8.

ii. AASB 15 Revenue (effective from 1 January 2017)

AASB 15 replaces AASB 118 *Revenue, AASB 111 Construction Contracts* and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps:

a) identify the contract with a customer;
b) identify the separate performance obligations in the contract;
c) determine the transaction price;
d) allocate the transaction price to the separate performance obligations in the contract; and
e) recognise revenue when (or as) the entity satisfies a performance obligation.

Consequential amendments to other Standards are made by AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15.*

x. Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

i. Share based payment transactions

The Consolidated Entity measures the costs of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss or equity.

ii. Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Consolidated Entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resource. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

The exploration and evaluation capitalised costs have been classified as a non-current asset held for sale. This contemplates the consideration of the lower of cost and fair value less costs to sell. Key judgements have been applied to consider the fair value less costs to sell with reference to the sale agreement entered into with CPS as a knowledgeable and willing third party.

	Consolidated	
	2015 $	2014 $
2. REVENUE		
From continuing operations		
Interest	3,152	63,805
	3,152	63,805
3. EXPENSES		
Depreciation of property, plant and equipment	-	31,945
Impairment of property, plant and equipment	74,798	-
Employee benefits expense		
Salaries and wages and other employee expenses	999,265	1,728,059
Contributions to accumulation superannuation funds	33,552	67,000
Provision for employee benefits	(21,377)	50,985
	1,011,440	2,038,073
Salary and wages capitalised as exploration costs	(324,670)	(1,232,143)
Total employee benefits expenditure	686,770	613,901
Rental expense relating to operating leases		
Minimum lease payments	59,566	102,205
Administration		
Corporate	240,241	299,957
Operational	-	126,746
	240,241	426,703

4. INCOME TAX BENEFIT

	Consolidated 2015 $	Consolidated 2014 $
4.1 Income Tax Benefit		
Current tax	-	-
Deferred tax	-	-
Under provided in prior years	-	-
Income tax benefit attributable to (loss) from continuing operations	-	-
Deferred income tax benefit included in income tax expense comprises:	-	-
(Decrease) in deferred tax liabilities	-	-
4.2 Numerical Reconciliation of Income Tax Benefit to Prima Facie Tax Payable		
(Loss) from ordinary activities before income tax expense	(7,594,765)	(13,070,586)
Income tax benefit calculated at domestic rate of 30% (2014 – 30%)	(2,278,430)	(3,921,176)
Effect of tax rate in foreign jurisdiction	(31,808)	1,579,872
	(2,309,238)	(2,341,304)
Tax effect of permanent differences:		
Non-deductible items	1,906,162	1,915,191
Non-assessable income	-	(194)
Additional deductions	(100,903)	(109,872)
Income tax adjusted for permanent differences	(503,979)	(536,179)
Tax effect of losses not recognised	503,979	536,179
Income tax expense	-	-
4.3 Tax Losses		
Unused revenue losses for which no deferred tax asset has been recognised	14,149,917	12,501,522
Unused capital losses for which no deferred tax asset has been recognised	3,682,968	3,682,968
	17,832,885	16,184,490
Potential tax benefit at the domestic tax rate of 30% (2014: 30%)	5,349,866	4,855,347
Effect of tax rate in foreign jurisdiction	(548,058)	(555,900)
	4,801,808	4,299,447

The Company is of the opinion that tax and capital losses from prior periods will continue to be available to the group. These losses have not been recognised as a deferred tax assets as there is uncertainty that future taxable profits will be available against which the losses can be utilised. The future income tax benefit will only be obtained if:

a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;

b) the conditions for deductibility imposed by tax legislation continue to be applied with; and

c) no changes in tax legislation adversely affect the Company in realising the benefit.

	Consolidated	
	2015 $	2014 $
4.4 Current Tax Liability		
Opening balance at 1 July	-	-
Under provision for prior year	-	-
Refund received on overpayment for prior year	-	-
Current year tax payable	-	-
Income tax paid	-	-
Interest charged	-	-
Closing balance 30 June	-	-
4.5 Franking Credits		
Franking credits available for subsequent financial years based on a tax rate of 30% (2014 - 30%)	593,636	593,636

The franking account is stated on a tax paid basis. The balance comprises the franking account at year end adjusted for:

a) franking credits that will arise from the payment of the amount of the provision for income tax;

b) franking debits that will arise from the payment of dividends recognised as a liability at year end; and

c) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient profits to declare dividends.

5. DISCONTINUED OPERATIONS

The previous directors placed Cabral Resources Limited and its wholly owned subsidiary Cabral Brazil Pty Ltd into voluntary administration on 1 December 2014. Cabral Brazil Pty Ltd wholly owns Cabral Mineracao Ltda. The operations of Cabral Brazil Pty Ltd and Cabral Mineracao Ltda have been deemed to have discontinued on 1 December 2014. Financial information relating to the discontinued operation is set out below.

The financial performance of the discontinued operation, which is included in the loss from discontinued operations per the statement of comprehensive income, is as follows:

	Consolidated	
	June 2015 $	**June 2014 $**
Revenue	81,292	90,593
Administration	(5,941)	(446,912)
Occupancy	-	(24,045)
Employee benefits expense	-	(192,029)
Depreciation and amortisation expenses	-	(162,485)
Impairment of deferred exploration and evaluation expenditure	(16,207)	(11,174,574)
Exchange differences in translation of foreign operations	(163,700)	-
Loss before income tax		
Income tax expense	-	-
Loss before income tax attributable to members of the parent entity	(104,556)	(11,909,452)
Loss on disposal of assets and liabilities on loss of control of subsidiaries before income tax	(3,370,296)	-
Reclassification of items within other comprehensive income	(2,291,765)	-
Income tax expense	-	-
Loss on disposal of assets and liabilities on loss of control of subsidiaries after income tax	(5,662,061)	-
Total loss after tax attributable to the discontinued operation	**(5,766,617)**	**(11,909,452)**
The net cash flows of the discontinued division, which have been incorporated into the statement of cash flows, are as follows:		
Net cash outflow from operating activities	(3,759)	(667,754)
Net cash outflow from investing activities	82,715	-
Net cash inflow from financing activities	-	-
Net cash outflow from the discontinued operation	78,956	(667,754)

	Consolidated	
	2015 $	**2014 $**
6. CASH AND CASH EQUIVALENTS		
Current		
Cash at bank and on hand	201,849	193,450
Deposits at call	-	985,702
	201,849	1,179,152

Cash at bank is interest bearing. Deposits at call bear floating interest rates between 3.0% and 7.5%. These deposits have an average maturity of 3 months.

7. TRADE AND OTHER RECEIVABLES		
Current		
Other debtors	32,957	7,625

Other debtors are non-interest bearing and generally receivable on 30 day terms. They are neither past due nor impaired. The amount is fully collectible. Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

8. NON CURRENT ASSETS HELD FOR SALE		
Exploration assets relating to the sale of Cabral Metais Ltda	2,895,574	-
	2,895,574	-
Net assets of Cabral Metais Ltda subsidiary as held for sale:		
Exploration assets relating to the sale of Cabral Metais Ltda (i)	2,895,574	-
Liabilities directly associated with sale of Cabral Metais Ltda (ii)	(2,895,574)	-
	-	-

(i) During and subsequent to the year ended 30 June 2015, the following has occurred in respect to the exploration assets and operations of the Company:

- A DOCA was executed by the Company, the Administrators and CPS on 13 April 2015 and a Creditors' Trust Deed was executed by the Company and the Administrators to give effect to the Recapitalisation Proposal.

- On 10 July 2015, the Deed Administrators and CPS executed (and subsequently varied) a sale agreement which provided for the retention of equity interests in the Company's subsidiaries Northern Yeelirrie Pty Ltd (dormant company) and Cabral Metais Limitada (including an interest in the Brazilian iron ore tenements held by this entity) by Cabral in return for a payment of $20,001 to the Deed Administrators and $20,000 to the Liquidators of Cabral Brazil.

- On 13 October 2015, the Administrators confirmed the DOCA has been fully effectuated and control of Cabral has today returned to its Directors. In addition, the asset sale was completed simultaneously today with the effectuation of the DOCA. The operations of Yeelirrie Pty Ltd and Cabral Metais Limitada have been deemed to be discontinued and then re-acquired on this date.

(ii) The exploration assets are currently held by Cabral Metais Ltda via contract for the assignment of mining tenements agreements with Cabral Mineracao Ltda, with the exploration assets still held in the legal name of Cabral Mineracao Ltda. Cabral Mineracao Ltda is a Company which is no longer under the control of Cabral Resources Limited and therefore does not form part of the Cabral Group. The assignment of mining tenements agreements are irrevocable and irretrievable and are binding upon the parties. The Company considers the transfer of legal title to be an administrative process and therefore Cabral Metais Ltda holds current rights to tenure over the exploration assets.

(iii) Balance relates to a non interest bearing loan of BRL$6,940,494 ($2,895,574) owed by Cabral Metais Limitada to Cabral Mineracao Ltda. Due to Cabral Brazil Pty Ltd being placed into voluntary administration on 1 December 2014, Cabral Brazil Pty Ltd and its wholly subsidiary Cabral Mineracao Ltda are no longer under the control of Cabral Resources Limited and therefore do not form part of the Cabral Group.

Should Cabral Mineracao Ltda be repaid, Cabral Resources Limited will ultimately receive the funds as the sole shareholder and major creditor of Cabral Brazil Pty Ltd, who in turn is the sole shareholder and major creditor of Cabral Mineracao Ltda.

	Consolidated	
	2015 **$**	**2014** **$**
9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Non-current		
Associate company – CRMSC (Australia) Pty Limited	-	629,980

The Company held a 50% investment in an associate company, CRMSC (Australia) Pty Limited, with a subsidiary of China Railway Materials Commercial Corporation. The principal activity of CRMSC (Australia) Pty Limited related to investments in the Australian resources sector. On 22 January 2015, CRMSC (Australia) Pty Limited realised all liquid assets of the company resulting in a distribution to the Company of $205,707.

There are no remaining assets of any value in CRMSC (Australia) Pty Limited and therefore no additional financial information has been included in this financial report.

For the year ended 30 June 2015 the associate company contributed a loss of $424,273 (2014: $63,637 loss) to the consolidated entity's result.

The following is a summary of the associate company's financial information:

	Consolidated	
	2015 $	**2014 $**
Reconciliation of the consolidated entity's carrying amount		
Opening carrying amount	629,980	693,617
Share of loss after income tax	(424,273)	(63,637)
Distribution to Cabral	(205,707)	-
Closing carrying amount	**-**	**629,980**

10. PROPERTY, PLANT & EQUIPMENT

	Consolidated	
	2015 $	**2014 $**
Non-current		
Property, plant & equipment – at cost	-	943,393
Less accumulated depreciation	-	(654,741)
	-	288,652
Property, plant & equipment		
Carrying value at 1 July	288,652	488,775
Exchange differences	(10,955)	(6,410)
Additions	-	1,834
Disposal on loss of control of subsidiary	(189,813)	-
Disposals	(87,884)	(1,117)
Depreciation	-	(194,430)
Carrying value at 30 June	-	288,652

11. EXPLORATION ASSETS

	2015 $	2014 $
Non-current		
Exploration assets - at cost	-	2,226,338
Carrying value at 1 July	2,226,338	11,381,943
Exchange differences	(437,218)	(155,738)
Additions	1,122,661	2,174,707
Impairments	(16,207)	(11,174,574)
Transfer to non-current assets held for sale	(2,895,574)	-
Carrying value at 30 June	-	2,226,338

Prior to Cabral Resources Limited being placed into voluntary administration on 1 December 2014, the Company's focus was on the exploration and development of its exploration assets in the Sincorá Area.

During the year ended 30 June 2014, the Brumado Complex asset portfolio was fully impaired resulting in an impairment expense of $11,174,574.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of respective areas.

12. TRADE AND OTHER PAYABLES

	Consolidated 2015 $	2014 $
Current		
Trade creditors	456,358	224,814
Other creditors	24,363	37,536
	480,721	262,350
Non-current		
Other creditors	-	12,335

13. EMPLOYEE BENEFITS

Current		
Liability for annual leave	160,147	184,368
Liability for long service leave	56,828	12,817
Liability for accrued wages and termination benefits	436,754	-
	653,729	197,185
Non-current		
Liability for long service leave	-	63,739

14. CONTRIBUTED EQUITY

	Consolidated		Consolidated	
	2015 No	**2014 No**	**2015 $**	**2014 $**
Share Capital				
Ordinary shares	293,797,815	259,316,667	39,938,263	39,331,045
Movements in share capital				
Opening balance 1 July	259,316,667	259,316,667	39,331,045	39,331,045
Shares issued – 12 September 2014	30,340,862	-	455,113	-
Shares issued – 19 September 2014	3,000,000	-	45,000	-
Shares issued – 26 September 2014	890,286	-	13,355	-
Shares issued – 2 October 2014	250,000	-	3,750	-
DOCA proceeds	-	-	90,000	-
Closing balance 30 June	293,797,815	259,316,667	39,938,263	39,331,045

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of a winding up of the Company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or proxy, at a meeting of the Company.

Capital risk management

The Group's capital comprises share capital, reserves less accumulated losses amounting to a deficiency of $899,644 at 30 June 2015 (2014: equity of $3,796,138). The Group manages its capital to ensure its ability to continue as a going concern and to optimise returns to its shareholders. The Group was ungeared at year end and not subject to any externally imposed capital requirements.

Share options

At 30 June 2015, there were no unissued ordinary shares under options (2014: nil options). No options were issued, exercised or expired during the financial year.

15. RESERVES

	Consolidated 2015 $	Consolidated 2014 $
Share Based Payments Reserve		
Balance at 1 July	-	119,000
Cancellation/expiration of options	-	(119,000)
Balance at 30 June	-	-
Foreign Currency Translation		
Balance at 1 July	(2,291,765)	(2,037,002)
Currency translation differences arising during the year	-	(254,763)
Transfer to discontinued operations (note 5)	(2,291,765)	-
Balance at 30 June	-	(2,291,765)
Total Reserves	-	(2,291,765)

Nature and Purpose of Reserves

i. Share Based Payments Reserve

The share based payments reserve is used to recognise the fair value of options issued to Directors and employees but not exercised.

ii. Foreign Currency Translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

16. EARNINGS PER SHARE

	Consolidated 2015 cents	Consolidated 2014 cents
Basic and diluted earnings per share from continuing operations	(0.64)	(0.45)
Basic and diluted earnings per share from discontinued operations	(2.01)	(4.59)
Basic and diluted earnings per share in total	(2.65)	(5.04)

	2015 No.	2014 No.
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	286,796,205	259,316,667

	2015 $	2014 $
Loss used in calculating basic and dilutive EPS from continuing operation	(1,828,148)	(1,161,133)
Loss used in calculating basic and dilutive EPS from discontinued operations	(5,766,617)	(11,909,452)
Loss used in calculating basic and dilutive EPS	(7,594,765)	(13,070,585)

17. PARENT ENTITY INFORMATION

	2015 $	2014 $
Current assets	234,806	761,088
Total assets	234,806	3,693,020
Current liabilities	1,134,450	276,132
Total liabilities	1,134,450	352,206
Shareholders' equity		
Issued capital	39,938,263	39,331,045
Retained earnings	(40,837,907)	(35,990,231)
	(899,644)	3,340,814
Profit / (loss) for the year	(4,847,676)	(19,176,522)
Other comprehensive income	-	-
Total comprehensive income	(4,847,676)	(19,176,522)

18. INVESTMENT IN SUBSIDIARIES

Name of subsidiary	Country of incorporation	Class of shares	Equity holding 2015 %	Equity holding 2014 %	Cost of parent entity's investment 2015 $	Cost of parent entity's investment 2014 $
Northern Yeelirrie Pty Limited	Australia	Ordinary	100	100	1	1
Cabral Brazil Pty Limited	Australia	Ordinary	100	100	1,250,000	1,250,000
Cabral Metais Ltda	Brazil	Ordinary	100	100	50	50

The previous directors placed wholly owned subsidiary Cabral Brazil Pty Ltd into voluntary administration on 1 December 2014. Cabral Brazil Pty Ltd wholly owns Cabral Mineracao Ltda. The operations of Cabral Brazil Pty Ltd and Cabral Mineracao Ltda have been deemed to have discontinued on 1 December 2014.

Cabral Resources Limited still owns 100% of the share capital of Cabral Brazil Pty Ltd. Cabral Brazil Pty Ltd's results have been consolidated up to being placed into voluntary administration. As at 1 December 2014, the Group lost control of Cabral Brazil Pty Ltd and was deconsolidated as at that date.

	Consolidated 2015 $	Consolidated 2014 $
19. REMUNERATION OF AUDITORS		
Amounts received, or due and receivable by:		
The current auditor of the parent entity (Nexia Court & Co – Australian Firm)		
- for auditing and reviewing the financial reports of the entity or any entity in the consolidated entity	45,500	51,560
- for tax services	-	3,623
	45,500	55,183

20. CONTINGENT LIABILITIES

There are no contingent liabilities of the Company as at 30 June 2015 (2014: Nil).

21 COMMITMENTS FOR EXPENDITURE

	Consolidated	
	2015 $	2014 $
Operating lease commitments		
Future operating lease commitments contracted for at balance date but not provided for in the financial statements		
- Payable within one year	-	82,373
- Payable later than one year but not later than 2 years	-	49,154
- Payable between 2 and 5 years	-	-
Total operating lease liability	-	131,527
Representing non-cancellable operating leases	-	131,527

The above operating lease commitment relate to the rental agreement of the head office premises in Sydney, which was terminated on 30 January 2015.

22. KEY MANAGEMENT PERSONNEL AND RELATED PARTY INFORMATION

22.1 Key Management Personnel Remuneration

	Consolidated	
	2015 $	2014 $
Short term employee benefits	282,614	1,012,657
Long term employee benefits	(5,754)	19,758
Post- employment benefits	16,823	208,447
Termination benefits	445,852	-
	739,535	1,240,862

Details of Directors' and key personnel remuneration are set out in the Remuneration Report in the Directors' Report.

22.2 Other Transactions with Key Management Personnel

During the year ended 30 June 2015 a total of $27,089 (2014: $Nil) in legal services were provided to the Cabral Group on arm's length normal commercial business terms and conditions by a director related entity.

22.3 Transactions with Subsidiaries

Details of subsidiaries are set out in Note 8.

- The Company had loan transactions with and provided accounting and administrative assistance to Northern Yeelirrie Pty Limited, a subsidiary, during the year ended 30 June 2015.

- The Company had loan transactions with and provided funds for Cabral Brazil Pty Limited to on loan to its wholly owned subsidiary to purchase various tenements in Brazil. The Company also funded travel and administrative assistance to Cabral Brazil Pty Limited, during the year ended 30 June 2015.
- Transactions by the Company with its subsidiaries consist of the transfer of funds amongst the entities for day-to-day operations, financing, loan advances and repayments. All dealings with the subsidiary are on commercial terms and conditions, except loans, which are made to those entities free of interest. Loans to the subsidiary are also unsecured and there is no fixed date for repayment.
- Agreements exist as between Cabral Metais Ltda and Cabral Mineração Ltda in relation to each of the granted tenements and/or tenement applications comprising the entire Sincorá Area which Cabral Mineração Ltda currently holds on trust for Cabral Metais Ltda.

Transactions by the Company with subsidiaries were:

	2015 $	2014 $
Net movement in amount due from subsidiaries:		
Northern Yeelirrie Pty Limited	-	(2,765)
Cabral Brazil Pty Limited	793,231	1,151,005

22.4 Transactions with Associates

Details of associates are set out in Note 9:

During the year ended 30 June 2015, the liquid assets of the associate were sold and a distribution of $205,707 was paid to the Company on 22 January 2015.

There were no transactions with an associate company during the year ended 30 June 2014.

23. SEGMENT INFORMATION

a. Description of Segments

Management has determined the operating segments based on the reports reviewed by those responsible for decision making which are used to make strategic decisions.

The management team have identified two reportable segments based on Geographical factors; one segment in Australia and one segment in Brazil.

b. Segment Information Provided to those Responsible for Decision Making

The segment information provided to those responsible for decision making for the reportable segments for the year ended 30 June 2015 are as follows:

2015	Australia AUD	Brazil AUD	Total AUD
Total segment revenue	-	-	-
Inter-segment revenue	-	-	-
Revenue from external customers	-	-	-
Adjusted EBITDA	**(2,093,891)**	-	**(2,093,891)**
Depreciation and amortisation	-	-	-
Impairment	-	(1,960,443)	(1,960,443)
Share of loss from associates	(424,273)	-	(424,273)
Total segment assets	**3,130,380**	**-**	**3,130,380**
Total assets includes:			
Investment in associates	-	-	-
Exploration and tenements	-	-	-
Additions to non-current assets (other than financial assets and deferred tax)	-	1,122,661	1,122,661
Total segment liabilities	**4,030,024**	**-**	**4,030,024**

The segment information provided to those responsible for decision making for the reportable segments for the year ended 30 June 2014 are as follows:

2014	Australia AUD	Brazil AUD	Total AUD
Total segment revenue	-	-	-
Inter-segment revenue	-	-	-
Revenue from external customers	-	-	-
Adjusted EBITDA	(1,182,672)	(624,378)	(1,807,050)
Depreciation and amortisation	(39,752)	(154,678)	(194,430)
Impairment	-	(11,174,574)	(11,174,574)
Share of loss from associates	(63,637)	-	(63,637)
Total segment assets	2,722,141	3,850,447	6,572,588
Total assets includes:			
Investment in associates	629,980	-	629,980
Exploration and tenements	-	2,226,338	2,226,338
Additions to non-current assets (other than financial assets and deferred tax)	1,834	2,174,708	2,176,541
Total segment liabilities	352,206	9,222,934	9,575,140

c. Other Segment Information

i. Segment Revenue

Segment revenue reconciles to total revenue from continuing operations as follows:

	2015 $	2014 $
Total segment revenue		-
Intersegment eliminations	-	-
Interest revenue	5,335	154,398
Total revenue from continued and discontinued operations	**5,335**	**154,398**

i. Adjusted EBITDA

The measurement of adjusted EBITDA excludes the non-recurring expenditure from the operating segment such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. Furthermore the measure excludes the effects of equity-settled share-based payments and unrealised gains/(losses) on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by a central treasury function in managing the cash position of the Cabral Group.

A reconciliation of adjusted EBITDA to operating loss is provided as follows:

	2015 $	2014 $
Adjusted EBITDA	(3,343,892)	(1,807,050)
Intersegment eliminations	-	
Interest revenue	5,335	154,398
Dividend revenue	-	-
Interest expense	-	-
Depreciation and amortisation	-	(194,430)
Impairment	(1,960,443)	(11,174,574)
Legal expenses	-	(48,930)
Reclassification to profit or loss on loss of control of subsidiary	(2,291,765)	-
Loss from continued and discontinued operations	**(7,594,765)**	**(13,070,586)**

ii. Segment Assets

The amounts provided to those responsible for decision making with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Reportable segments' assets are reconciled to total assets as follows:

	2015 $	2014 $
Segment assets	3,401,060	6,572,588
Intersegment eliminations	-	(2,870,821)
Unallocated:		
Investments accounted for using the equity method	-	629,980
Total assets as per the balance sheet	**3,401,060**	**4,331,747**

iii. Segment Liabilities

The amounts provided to those responsible for decision making with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2015 $	2014 $
Segment liabilities	4,300,704	9,575,140
Intersegment eliminations	-	(9,039,531)
Unallocated:		
Current tax liabilities	-	-
Total liabilities as per the balance sheet	**4,300,704**	**535,609**

24. RECONCILIATION OF LOSS FROM CONTINUING OPERATIONS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2015 $	**2014 $**
Loss from continuing and discontinued operations	(7,594,765)	(13,070,586)
Depreciation and amortisation	74,798	194,430
Profit on sale of plant and equipment	(79,110)	-
Share of profit of associate (profit) / loss	424,473	63,637
Impairment capitalised exploration costs	16,207	11,174,574
Loss on disposal of assets and liabilities on loss of control of subsidiaries	3,370,296	-
Reclassification of FX translation reserve to profit and loss	2,291,765	-
FX translation differences during the year	163,700	-
Other non-cash expenses	19,273	-
Changes in Assets and Liabilities		
(Increase) / decrease in receivables	(25,332)	9,228
Increase/(decrease) in trade and other creditors	206,036	(53,162)
Increase in employee benefits	392,805	50,985
Net cash outflows from operating activities	(739,854)	(1,630,894)

25. EVENTS SUBSEQUENT TO BALANCE DATE

On 10 July 2015, the Deed Administrators and CPS executed (and subsequently varied) a sale agreement which provided for the retention of equity interests in the Company's subsidiaries Northern Yeelirrie Pty Ltd and Cabral Metais Limitada (including an interest in the Brazilian iron ore tenements held by this entity) by Cabral in return for a payment of $20,001 to the Deed Administrators and $20,000 to the Liquidators of Cabral Brazil.

Having regard to the additional time required to allow CPS to explore the purchase of certain Company assets, liaise with the ASX and ASIC and issue the Shareholder meeting documentation, the Deed Administrators granted two separate extensions of time under the DOCA and received two further non-refundable payments of $40,000 and $20,000 as a contribution to the overall DOCA Amount.

On 1 October 2015, Shareholders approved the Recapitalisation Proposal which included:

- Consolidation of the existing issued capital of the Company on a 1 for 100 basis
- The issue of up to 20,000,000 Shares at $0.00001 each to raise up to $200;
- The issue of up to 125,000,000 Shares at $0.02 each to raise up to $2,500,000 (underwritten by CPS to an amount of $1,000,000);
- The issue of up to 30,000,000 Unlisted Options at $0.00001 each to raise up to $300;
- The issue of up to 50,000,000 Listed options at $0.00001 each to raise up to $500, to various sophisticated and professional investors who are clients of CPS

- The appointment of Eddie King, Gregory D'Arcy and Steven Formica, all of whom are nominees of CPS, as Directors of the Company.

On 13 October 2015, the Administrators confirmed that all remaining funds required to be paid by CPS under the DOCA (totalling $340,000) were received and accordingly, the DOCA has been fully effectuated and control of Cabral was returned to its Directors. In addition, all funds required to be paid by CPS under the sale agreement (totalling $20,001 to Cabral and $20,000 to Cabral Brazil) have now been received. Accordingly, the asset sale was completed simultaneo,usly today with the effectuation of the DOCA.

Concurrently with the effectuation of the DOCA, the Cabral Creditors' Trust was established (as provided for in the DOCA). Any assets not included in the sale agreement with CPS (i.e. all assets other than certain interests in Cabral Metais Limitada and Northern Yeelirrie Pty Ltd) have either been transferred to or are being held in trust for the Creditors' Trust.

On 15 October 2015 the Company completed a capital consolidation on a 100:1 basis following shareholder approval at the General Meeting held on 1 October 2015.

On 30 October 2015, the Company issued 28,300,000 fully paid ordinary shares to raise $510,028.

On 30 October 2015, the company issued 12,400,000 unlisted options exercisable at $0.02 on or before 30 October 2019 and 17,600,000 listed options exercisable at $0.04 on or before 30 October 2019 as approved by shareholders at a general meeting on 1 October 2015.

26. SHARE-BASED PAYMENTS

On August 1, 2007 the Company issued an aggregate of 2,000,000 options to Group Company employees pursuant to the terms of the Employee and Executive Share Option Plan ("EESOP") approved by shareholders in general meeting on 11 July 2007.

On November 3, 2008 the Company issued an additional 1,150,000 options to Group Company employees pursuant to the EESOP.

On February 25, 2011 the Company issued an aggregate of 2,250,000 5 year options exercisable at 30 cents to Non-Executive Directors (NONEXOP). On 6 August 2013 the remaining 1,750,000 NONEXOP options were forfeited as a result of director resignations.

Summaries of options Granted under these plans are set out below.

There are no options on issue at 30 June 2015.

Option plan	Grant date	Expiry date	Exercise price	Balance at 1 July No.	Granted during the year No.	Exercised during the year No.	Forfeited during the year No.	Balance at 30 June No.	Vested & exercisable at 30 June No.
Consolidated – 2015									
NIL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Consolidated - 2014									
NONEXOP	25/02/2011	25/02/2016	30.0c	1,750,000	-	-	1,750,000	-	-

27. FINANCIAL INSTRUMENTS

27.1 Financial Risk Management

The Cabral Group's financial instruments consist of deposits with banks, trade receivable and payables, investments at fair value and loans to and from subsidiaries and associates. Derivative financial instruments are not currently used by the Cabral Group.

Senior executives meet regularly to analyse and monitor the financial risk associated with the financial instruments used by the Cabral Group. The Managing Director and Chief Executive Officer reports regularly to the Board which appraises the adequacy of the risk management strategies and also creates policies for risk management.

The Cabral Group's activities expose it to market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

Market Risk

a. Foreign Exchange Risk

The Cabral Group operates in the state of Bahia in Brazil and is exposed to foreign exchange risk arising from various currency exposures, specifically in respect of Brazilian Reals.

Foreign exchange risk arises from commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

Given the Australian Dollar and Brazilian Real are, to a large extent, impacted by commodity prices and, in more recent times, have tended to behave in a similar long term trend versus other global currencies, the Company does not at this time seek to undertake foreign exchange hedging policies to manage its long term investment interests in Brazil and any associated foreign exchange rate risk. There is a form of natural long term hedge that exists at present which is perceived to be a more cost effective mitigate to any long term exchange rate risk than any formal currency hedging activity. Over time, as the Cabral Group's activities grow and the funding and investment amounts are envisaged to become larger and more complex, the Cabral Group will look to formulate a specific foreign exchange rate policy provided it is not too expensive to implement.

The Cabral Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	30 June 2015	30 June 2014
	AUD	AUD
Cash and cash equivalents	-	424,898
Interest free loans to Group subsidiaries*	-	2,226,338
Trade receivables	-	-
Trade payables	-	(182,745)

* Impairment has been raised against these loans where necessary at the parent entity level as a result of impairment of previously capitalised exploration expenditure.

b. Price Risk

Equity market price risk arises indirectly from the Cabral Group's investment in an associated entity that has an investment portfolio of listed stocks. The direct investments by the associated company are predominately concentrated on listed companies involved in the global natural resources, infrastructure and related sectors. The Managing Director and Chief Executive Officer closely monitors the performance and returns of existing and potential securities in accordance with the Cabral Group's investment guidelines.

These investments are classified on the statement of financial position as financial assets at fair value through profit or loss.

Cabral Resources

The price risk for unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity in future years as they have been written down to nil carrying value.

The Cabral Group is not exposed to direct commodity price risk by way of direct investment in underlying commodities.

An analysis of the effect of the movement in prices of equity investments (excluding unlisted investments) on the profit and equity of the Cabral Group as at 30 June with all other variables remaining constant is as follows:

	Consolidated	
	2015 $	**2014 $**
Increase/(decrease) in loss after tax due to:		
- Increase in equity prices by 5%	-	21,105
- Decrease in equity prices by 5%	-	(21,105)

	Consolidated	
	2015 $	**2014 $**
Increase/(decrease) in equity after tax due to:		
- Increase in equity prices by 5%	-	21,105
- Decrease in equity prices by 5%	-	(21,105)

Interest Rate Risk

The Cabral Group does not have any exposure to interest rate risk as there were no external borrowings at 30 June 2014 (2013: nil). Any borrowings were intercompany related and unsecured and interest free and therefore there is no exposure to interest rate risk associated with these amounts. Interest bearing assets are all short term liquid assets and the only interest rate risk is the effect on interest income by movements in the interest rate. There is no other material interest rate risk.

Liquidity Risk

The Cabral Group manages liquidity risk by maintaining cash reserves, placing funds on fixed term deposits with reputable financial institutions, having limited borrowings or debt and having, to the extent possible, the investments in instruments that are tradeable in highly liquid markets.

All trade and other payables are expected to be paid within one year of balance date.

The Cabral Group's credit risk primarily arises from cash and deposits with Australian ADIs or reputable Brazilian banking institutions. The credit risk of financial assets of the Cabral Group which have been recognised on the statement of financial position, other than investments in shares, is generally the carrying amount, net of any provision for doubtful debts. There is no collateral or security held for those assets at balance date. There are no financial assets that are past due or impaired.

27.2 Net Fair Value of Financial Assets and Liabilities

The carrying amount of the Cabral Group's financial assets and financial liabilities in the financial statements approximates their fair values as at balance date.

Cabral Resources Limited
ABN 72 064 874 620

Level 11, 216 St George's Terrace
Perth WA 6000
Australia

T: + 61 8 9481 0389
F: + 61 8 9463 6103

www.cabralresources.com.au

DIRECTORS' DECLARATION

The Directors of Cabral Resources Limited declare that:

1. In the Directors' opinion, the financial statements and accompanying notes set out on pages 34 to 70, are in accordance with the Corporations Act 2001 and:
   a. Comply with Australian Accounting Standards and the Corporations Regulations 2001; and
   b. Give a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date;
2. Note 1 confirms that the financial statements also comply with international Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
3. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
4. The remuneration disclosures included in pages 10 to 16 of the Directors' Report (as part of the audited Remuneration Report), for the year ended 30 June 2015, comply with section 300A of the Corporations Act 2001; and
5. The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by Section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Eddie King
Non-Executive Chairman

Perth, 15 December 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABRAL RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Cabral Resources Limited (the 'Company'), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors as at the time of this auditor's report.

Basis for Qualified Opinion

Included in the statement of financial position and note 8 are 'Non Current Assets Held for Sale' of $2,895,574. We were unable to obtain sufficient appropriate audit evidence confirming the additions of $1,122,661 during the period. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Sydney Office
Level 16, 1 Market Street, Sydney NSW 2000
PO Box H195, Australia Square NSW 1215
p +61 2 9251 4600, f +61 2 9251 7138
info@nexiacourt.com.au, www.nexia.com.au
Independent member of Nexia International

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph:

(a) the financial report of Cabral Resources Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Cabral Resources Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001.*

Emphasis of Matter

Going Concern

Without modifying our opinion, we draw your attention to Note 1(a)(iii) 'Going concern' of the financial report, which indicates the company has incurred net losses after income tax of $7,594,765 for the year ended 30 June 2015 (30 June 2014: $13,070,586) and experienced net cash outflows from operating and investing activities of $1,684,559 (30 June 2014: $3,807,435) for the year ended 30 June 2015.

The financial report had been prepared on a going concern basis which assumes continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business.

In note 1(a)(iii), the directors state why they consider the going concern basis used in the preparation of the financial report is appropriate. As discussed in that note, if the Group is not successful in securing additional funds, there are material uncertainties as to whether the company and the consolidated entity will be able to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Ownership of Mining tenements

Without modifying our opinion, we further draw your attention to Note 8(ii) 'Non Current Assets Held for Sale' of the financial report, which describes the current ownership structure of the mining tenements. The directors state in that note why they believe that the rights to the mining tenements reside with the Group and are current. If these rights were not able to be transferred to the Group for any reason, there is a risk of that the Group will not be able to realise these assets in the normal course of business.

Nexia Court & Co
Chartered Accountants

Lester Wills
Partner

Sydney, 15 December 2015

CORPORATE INFORMATION

The information contained below is as at 15 December 2015.

CORPORATE GOVERNANCE

Refer to statements on pages 19 to 33.

SUBSTANTIAL SHAREHOLDERS

The following substantial shareholders have been noted from relevant disclosures lodged with the Company and ASX.

Name of Shareholder	Number of shares held	Percentage of issued shares
Mr Tyler John Formica	5,500,000	17.61%
Lantech Developments Pty Ltd <Claire Family A/C>	5,000,000	16.01%
Albatross Pass Pty Ltd	2,500,000	8.00%
Domran Investments Pty Ltd	2,000,000	6.40%
Mr Ariel Edward King	2,000,000	6.40%

The Company has not yet received substantial shareholders notices for the above shareholders.

NUMBER OF SHAREHOLDERS AND OPTION HOLDERS

Shares

As at 15 December 2015, there were 1,172 shareholders holding a total of 31,237,898 fully paid ordinary shares.

Options

17,600,000 Options exercisable at $0.04 on or before 30 October 2019.

12,400,000 Options exercisable at $0.02 on or before 30 October 2019.

VOTING RIGHTS

The relevant conditions about voting rights attaching to each share are set out in Article 9.22 of the Constitution as follows:

"Subject to any rights or restrictions for the time being attached to any class or classes of shares and to this constitution:

a. *On a show of hands, each Member present in person and each other person present as a proxy, attorney or Representative of a Member has one vote; and*

b. *On a poll, each Member present in person has one vote for each fully paid share held by the Member and each person present as proxy, attorney or Representative of a Member has one vote for each fully paid share held by the Member that the person represents, but a Member is not entitled to vote at a general meeting in respect of shares which are the subject of a current Restriction Agreement for so long as any breach of that agreement subsists".*

DISTRIBUTION OF EQUITY SECURITIES

Analysis of number of share and option holders by size of holding:

Fully paid ordinary shares

Range			Number of holders	Number of shares
1	-	1,000	907	217,950
1,001	-	5,000	162	440,720
5,001	-	10,000	40	324,177
10,001	-	100,000	43	1,539,114
100,001 and over			20	28,715,937
			1,172	**31,237,898**

NON-MARKETABLE PARCELS

There were 1,128 holders (each holding less than 25,000 shares) of less than a marketable parcel of ordinary shares.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of ordinary fully paid shares are set out below:

Name		Number of ordinary shares held	Percentage of issued shares
1.	Mr Tyler John Formica	5,500,000	17.61%
2.	Lantech Developments Pty Ltd <Claire Family A/C>	5,000,000	16.01%
3.	Albatross Pass Pty Ltd	2,500,000	8.00%
4.	Domran Investments Pty Ltd	2,000,000	6.40%
5.	Mr Ariel Edward King	2,000,000	6.40%
6.	Mr Nicolo Floyd Bontempo <Bontempo Family A/C>	1,500,000	4.80%
7.	Magna Equities II LLC	1,500,000	4.80%
8.	Benefico Pty Ltd	1,250,000	4.00%
9.	6466 Investments Pty Ltd <Leveraged Equities A/C>	1,000,000	3.20%
10.	Mr Rohan Charles Edmondson + Mrs Fionnuala Cathrine Edmondson <R F Edmondson Superfund A/C>	1,000,000	3.20%
11.	Haven Super Pty Ltd <Haven Super Fund A/C>	1,000,000	3.20%
12.	Tyche Investments Pty Ltd	1,000,000	3.20%
13.	CPS Capital Group Pty Ltd	800,000	2.56%
14.	Mr Gregory Kenneth D'Arcy	500,000	1.60%
15.	Fencourt Enterprises Pty Ltd <P&Y Greenwood S/F A/C>	500,000	1.60%
16.	Mr David Peter Valentino	500,000	1.60%
17.	Ouro Pty Ltd	500,000	1.60%
18.	Mr John Michael Moore <The Mike Moore S/F A/C>	308,080	0.99%

Name	Number of ordinary shares held	Percentage of issued shares
19. Jayvee Investments Pty Ltd <Jayvee SP – Pen A/C>	250,000	0.80%
20. S G J Investments Pty Ltd <Number 2 A/C>	107,857	0.35%
	28,715,937	**91.92%**

The top 20 shareholders held 91.93% of the issued fully paid ordinary shares.

TWENTY LARGEST OPTION HOLDERS ($0.02 OPTIONS)

Name	Number of ordinary shares held	Percentage of issued shares
1. Mr Ariel Edward King	5,000,000	40.32%
2. Domran Investments Pty Ltd	2,000,000	16.13%
3. Mr Tyler John Formica	2,000,000	16.13%
4. CPS Capital Group Pty Ltd	1,400,000	11.29%
5. Greenwood Resources Pty Ltd	1,000,000	8.06%
6. Magna Equities II LLC	150,000	1.21%
7. Mr Nicolo Floyd Bontempo	150,000	1.21%
8. Benefico Pty Ltd	125,000	1.01%
9. Tyche Investments Pty Ltd	100,000	0.81%
10. 6466 Investments Pty Ltd	100,000	0.81%
11. Haven Super Pty Ltd	100,000	0.81%
12. Mr Rohan Charles Edmondson + Mrs Fionnuala Cathrine Edmondson <R F Edmondson Superfund A/C>	100,000	0.81%
13. Mr David Peter Valentino	50,000	0.40%
14. Fencourt Enterprises Pty Ltd <P&Y Greenwood S/F A/C>	50,000	0.40%
15. Ouro Pty Ltd	50,000	0.40%
16. Jayvee Investments Pty Ltd <Jayvee SP – Pen A/C>	25,000	0.20%
	12,400,000	**100.00%**

TWENTY LARGEST OPTION HOLDERS ($0.04 OPTIONS)

Name	Number of ordinary shares held	Percentage of issued shares
1. Mr Ariel Edward King	10,000,000	56.81%
2. Domran Investments Pty Ltd	2,000,000	11.36%
3. Mr Tyler John Formica	2,000,000	11.36%
4. CPS Capital Group Pty Ltd	1,600,000	9.12%
5. Greenwood Resources Pty Ltd	1,000,000	5.68%
6. Magna Equities II LLC	150,000	0.85%
7. Mr Nicolo Floyd Bontempo	150,000	0.85%
8. Benefico Pty Ltd	125,000	0.71%
9. Tyche Investments Pty Ltd	100,000	0.57%
10. 6466 Investments Pty Ltd	100,000	0.57%
11. Haven Super Pty Ltd	100,000	0.57%
12. Mr Rohan Charles Edmondson + Mrs Fionnuala Cathrine Edmondson <R F Edmondson Superfund A/C>	100,000	0.57%
13. Mr David Peter Valentino	50,000	0.28%
14. Fencourt Enterprises Pty Ltd <P&Y Greenwood S/F A/C>	50,000	0.28%
15. Ouro Pty Ltd	50,000	0.28%
16. Jayvee Investments Pty Ltd <Jayvee SP – Pen A/C>	25,000	0.14%
	17,600,000	**100.00%**

RESTRICTED SECURITIES

The Company has no restricted securities on issue.

INTERESTS IN EXPLORATION TENEMENTS

Tenement Number	Tenement Status	Tenement Location	Cabral Interest Held
872.495/2013	APPLICATION	Bahia State, Brazil	100%
872.494/2013	APPLICATION	Bahia State, Brazil	100%
872.247/2013	APPLICATION	Bahia State, Brazil	100%
872.089/2013	APPLICATION	Bahia State, Brazil	100%
871.402/2013	APPLICATION	Bahia State, Brazil	100%
871.028/2013	APPLICATION	Bahia State, Brazil	100%
870.986/2013	APPLICATION	Bahia State, Brazil	100%
870.985/2013	APPLICATION	Bahia State, Brazil	100%
870.984/2013	APPLICATION	Bahia State, Brazil	100%

Tenement Number	Tenement Status	Tenement Location	Cabral Interest Held
870.926/2013	APPLICATION	Bahia State, Brazil	100%
870.925/2013	APPLICATION	Bahia State, Brazil	100%
870.837/2013	APPLICATION	Bahia State, Brazil	100%
870.836/2013	APPLICATION	Bahia State, Brazil	100%
870.835/2013	APPLICATION	Bahia State, Brazil	100%
870.834/2013	APPLICATION	Bahia State, Brazil	100%
870.833/2013	APPLICATION	Bahia State, Brazil	100%
870.832/2013	APPLICATION	Bahia State, Brazil	100%
870.613/2013	APPLICATION	Bahia State, Brazil	100%
870.612/2013	APPLICATION	Bahia State, Brazil	100%
870.611/2013	APPLICATION	Bahia State, Brazil	100%
870.610/2013	APPLICATION	Bahia State, Brazil	100%
870.547/2013	APPLICATION	Bahia State, Brazil	100%
870.448/2013	APPLICATION	Bahia State, Brazil	100%
870.447/2013	APPLICATION	Bahia State, Brazil	100%
870.446/2013	APPLICATION	Bahia State, Brazil	100%
870.445/2013	APPLICATION	Bahia State, Brazil	100%
870.444/2013	APPLICATION	Bahia State, Brazil	100%
870.443/2013	APPLICATION	Bahia State, Brazil	100%
870.442/2013	APPLICATION	Bahia State, Brazil	100%
870.439/2013	APPLICATION	Bahia State, Brazil	100%
870.438/2013	APPLICATION	Bahia State, Brazil	100%
870.406/2013	APPLICATION	Bahia State, Brazil	100%
870.405/2013	APPLICATION	Bahia State, Brazil	100%
870.404/2013	APPLICATION	Bahia State, Brazil	100%
870.403/2013	APPLICATION	Bahia State, Brazil	100%
870.402/2013	APPLICATION	Bahia State, Brazil	100%
870.401/2013	APPLICATION	Bahia State, Brazil	100%
870.400/2013	APPLICATION	Bahia State, Brazil	100%
870.399/2013	APPLICATION	Bahia State, Brazil	100%
870.398/2013	APPLICATION	Bahia State, Brazil	100%
870.397/2013	APPLICATION	Bahia State, Brazil	100%
870.396/2013	APPLICATION	Bahia State, Brazil	100%
870.395/2013	APPLICATION	Bahia State, Brazil	100%
870.394/2013	APPLICATION	Bahia State, Brazil	100%
870.393/2013	APPLICATION	Bahia State, Brazil	100%

Tenement Number	Tenement Status	Tenement Location	Cabral Interest Held
870.392/2013	APPLICATION	Bahia State, Brazil	100%
870.391/2013	APPLICATION	Bahia State, Brazil	100%
870.390/2013	APPLICATION	Bahia State, Brazil	100%
870.389/2013	APPLICATION	Bahia State, Brazil	100%
870.388/2013	APPLICATION	Bahia State, Brazil	100%
870.387/2013	APPLICATION	Bahia State, Brazil	100%
870.386/2013	APPLICATION	Bahia State, Brazil	100%
870.385/2013	APPLICATION	Bahia State, Brazil	100%
870.384/2013	APPLICATION	Bahia State, Brazil	100%
870.383/2013	APPLICATION	Bahia State, Brazil	100%
870.382/2013	APPLICATION	Bahia State, Brazil	100%
870.381/2013	APPLICATION	Bahia State, Brazil	100%
870.371/2013	APPLICATION	Bahia State, Brazil	100%
870.369/2013	APPLICATION	Bahia State, Brazil	100%
870.349/2013	APPLICATION	Bahia State, Brazil	100%
870.060/2013	APPLICATION	Bahia State, Brazil	100%
870.054/2013	APPLICATION	Bahia State, Brazil	100%
870.352/2013	APPLICATION	Bahia State, Brazil	100%
870.350/2013	APPLICATION	Bahia State, Brazil	100%
870.347/2013	APPLICATION	Bahia State, Brazil	100%
872.280/2012	APPLICATION	Bahia State, Brazil	100%
870.759/2012	APPLICATION	Bahia State, Brazil	100%
870.758/2012	APPLICATION	Bahia State, Brazil	100%
870.757/2012	APPLICATION	Bahia State, Brazil	100%
870.734/2012	APPLICATION	Bahia State, Brazil	100%
870.733/2012	APPLICATION	Bahia State, Brazil	100%
870.732/2012	APPLICATION	Bahia State, Brazil	100%
870.731/2012	APPLICATION	Bahia State, Brazil	100%
872.581/2011	APPLICATION	Bahia State, Brazil	100%
870.441/2013	GRANTED	Bahia State, Brazil	100%
870.440/2013	GRANTED	Bahia State, Brazil	100%
870.370/2013	APPLICATION	Bahia State, Brazil	100%
870.368/2013	APPLICATION	Bahia State, Brazil	100%
870.351/2013	GRANTED	Bahia State, Brazil	100%
870.348/2013	GRANTED	Bahia State, Brazil	100%
870.346/2013	APPLICATION	Bahia State, Brazil	100%

Tenement Number	Tenement Status	Tenement Location	Cabral Interest Held
870.345/2013	GRANTED	Bahia State, Brazil	100%
870.063/2013	APPLICATION	Bahia State, Brazil	100%
870.062/2013	APPLICATION	Bahia State, Brazil	100%
870.059/2013	APPLICATION	Bahia State, Brazil	100%
870.058/2013	APPLICATION	Bahia State, Brazil	100%
870.057/2013	APPLICATION	Bahia State, Brazil	100%
870.056/2013	APPLICATION	Bahia State, Brazil	100%
870.055/2013	APPLICATION	Bahia State, Brazil	100%
870.053/2013	APPLICATION	Bahia State, Brazil	100%
870.052/2013	APPLICATION	Bahia State, Brazil	100%
870.051/2013	APPLICATION	Bahia State, Brazil	100%
870.050/2013	APPLICATION	Bahia State, Brazil	100%
870.049/2013	APPLICATION	Bahia State, Brazil	100%
873.456/2011	APPLICATION	Bahia State, Brazil	100%
873.454/2011	APPLICATION	Bahia State, Brazil	100%
873.239/2011	APPLICATION	Bahia State, Brazil	100%
873.238/2011	APPLICATION	Bahia State, Brazil	100%
873.237/2011	APPLICATION	Bahia State, Brazil	100%
873.236/2011	APPLICATION	Bahia State, Brazil	100%
873.235/2011	APPLICATION	Bahia State, Brazil	100%
873.234/2011	APPLICATION	Bahia State, Brazil	100%
873.233/2011	APPLICATION	Bahia State, Brazil	100%
873.187/2011	APPLICATION	Bahia State, Brazil	100%
873.186/2011	APPLICATION	Bahia State, Brazil	100%
873.185/2011	APPLICATION	Bahia State, Brazil	100%
873.184/2011	APPLICATION	Bahia State, Brazil	100%
872.834/2011	APPLICATION	Bahia State, Brazil	100%
872.572/2011	APPLICATION	Bahia State, Brazil	100%
870.916/2011	APPLICATION	Bahia State, Brazil	100%
872.593/2010	APPLICATION	Bahia State, Brazil	100%
872.351/2010	APPLICATION	Bahia State, Brazil	100%
871.801/2010	APPLICATION	Bahia State, Brazil	100%
871.650/2010	APPLICATION	Bahia State, Brazil	100%
871.618/2010	APPLICATION	Bahia State, Brazil	100%
873.999/2008	APPLICATION	Bahia State, Brazil	100%
873.976/2008	APPLICATION	Bahia State, Brazil	100%

Tenement Number	Tenement Status	Tenement Location	Cabral Interest Held
873.775/2008	APPLICATION	Bahia State, Brazil	100%
870.589/2014	GRANTED	Bahia State, Brazil	100%
870.588/2014	GRANTED	Bahia State, Brazil	100%
870.587/2014	GRANTED	Bahia State, Brazil	100%
870.586/2014	GRANTED	Bahia State, Brazil	100%
870.458/2014	APPLICATION	Bahia State, Brazil	100%
870.457/2014	GRANTED	Bahia State, Brazil	100%

COMPANY SECRETARY

Mr Stephen Brockhurst

REGISTERED AND ADMINISTRATION OFFICE

Level 11
216 St George's Terrace
PERTH WA 6000

Telephone: +618 9481 0389
Facsimile: +618 9463 6103

Website: www.cabralresources.com.au

SHARE REGISTRAR

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Postal Address

Locked Bag A14
Sydney South NSW 1235

Telephone: +612 8280 7111
Facsimile: +612 9287 0303

DX 1120 Sydney

Website: www.linkmarketservices.com.au

Email: registrars@linkmarketservices.com.au

STOCK EXCHANGE QUOTATION

The Company's shares are quoted only on the Australian Securities Exchange (code "CBS"). The home exchange is Sydney.